

Schoharie County

• New York •



Long Range Economic Development Strategy

Prepared for:
Schoharie County Planning & Development Agency

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Atlanta • Chicago • New York

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1

Executive Summary

I. Executive Summary

Overall Objective

The objective of this study is to define long range economic development options for Schoharie County that increase local job opportunities and expand the tax base by leveraging local resources and other economic activity throughout the Capital Region.

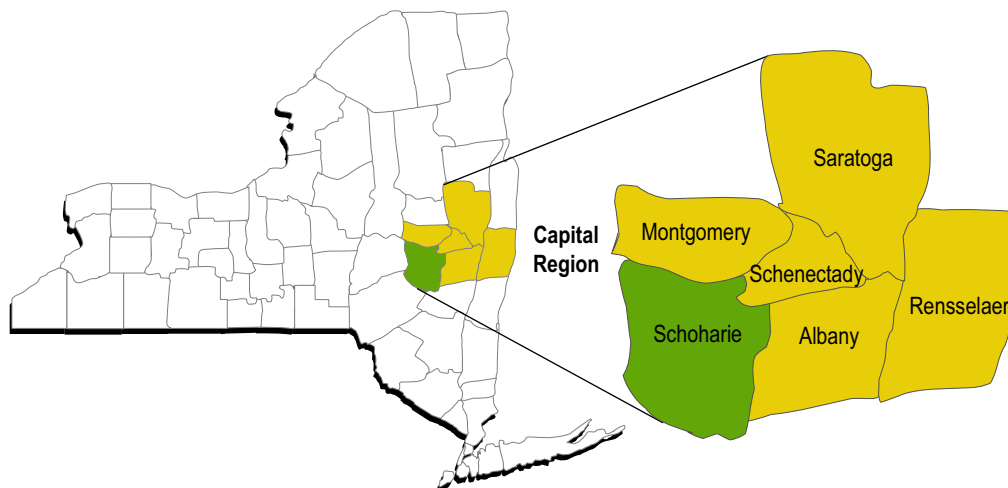
Methodology

The study begins with a review of the Capital Region's economy – both past and present – to get a perspective on the economic segments and specific industries that have been strong in the region along with an outlook for the future. A number of economic indicators were evaluated, including, population growth, unemployment rate trends and median household income levels. In the next phase, resources that are available to Schoharie County to support economic development were reviewed and evaluated. In the final phase, a summary is provided on issues impacting the current economic situation along with details for developing an economic development strategy and a proposed strategy for the county.

Overview on the Capital Region and Schoharie County

Schoharie County is located in eastern New York State within the Capital Region which includes the six-county Albany/Schenectady/Troy metropolitan statistical area (MSA) as noted in Figure 1.1 below. The underpinning of the Capital Region's economy includes: New York State government, traditional manufacturing (which is rapidly diminishing), regional retail trade,

1.1 – The Capital Region and the Albany/Schenectady/Troy MSA



I. Executive Summary (cont'd)

financial services/insurance, professional/business services, and agriculture in rural areas. The overall region has experienced only moderate growth over the past 40 years with the exception of Saratoga County which is one of the fastest growing counties in the state. Recently, federal, state and private resources have been investing heavily in both university R&D at Rensselaer Polytechnic Institute (RPI) and at the State University of New York (SUNY) at Albany as well as in private labs in order to develop new products from emerging technologies.

Schoharie county has been an agricultural, commercial and industrial center since it was first settled by the Germans and Dutch in the early 18th century. Over the years, it has not only been the breadbasket for the colonies and later a major dairy farming region but also a center for innovation with the manufacturing of a variety of farm implements and household goods. Over the past 60 years, factory jobs within the county have continued to diminish forcing workers to commute to nearby counties for jobs such as at the former ALCO locomotive works and the GE plant in Schenectady. Over the past few years, the county has lost the majority of its local manufacturing jobs with the closure of Guilford Mills in Cobleskill and Storyhouse in Charlotteville. The county now seeks alternatives to replace lost jobs and expand their tax base.

Resources That Support Economic Development

A detailed review of the county's resources is presented and evaluated in Section III. Key resources include access to an interstate highway (I-88), availability of flat land at a low to moderate cost, access to SUNY Cobleskill, an available labor force, as well as natural beauty



I. Executive Summary (cont'd)

and a small-town quality of life with easy access to metro area amenities.

Economic Development Strategy

In Section IV, an economic development strategy is developed for the county by first looking at what makes a sustainable economy and what is the economic relationship between Schoharie County and the rest of the Capital Region. Next, the current situation is evaluated to focus on the key factors that influence the formulation of a strategy as background information. Key inputs to an effective strategy are reviewed along with alternatives and their benefits and potential adverse impacts. A strategy was then outlined for the county that defines both economic opportunities as well as some community develop action items that are needed to achieve the strategy. An outline of the proposed economic development strategy is as follows:

Overall Objectives

- Rebuild and expand local employment opportunities for residents of the county by attracting and supporting businesses that offer challenging and good-paying jobs
- Enhance the tax base of the county to off-set the current tax burden for schools, services and infrastructure on local residents
- Improve local access to goods and services to enhance the quality of life
- Provide a community that attracts medical professionals to the Bassett Hospital, top quality teachers to local schools and SUNY Cobleskill, business entrepreneurs, and other professionals that support the community
- Preserve the natural beauty and historic sites/heritage of the area, the ability to maintain a family farm, and the small-town environment

Key Elements of the Strategy

1. Target Sectors/Industries

- > Technology-Related Manufacturing
- > Information Technology
- > Traditional Manufacturing
- > Financial Services/Back Office Operations
- > Distribution Warehousing
- > Recreation/Tourism

I. Executive Summary (cont'd)**2. Improving the Competitive Positioning of the County**

Based on comparisons with adjacent counties, Schoharie County has two key competitive issues: (1) The tax rates (particularly in the villages) are equal or higher than other locations within the region. To reduce these rates, the villages and towns should seriously consider consolidating their governments and related services. (2) The county does not have an Empire Zone capability to lower taxes and provide needed incentives. Efforts to date have not proven fruitful but should continue to be pursued.

3. Primary Location(s) for Growth and Development of a Master Plan

Considering that many location decisions are made based on access to transportation and labor resources, it is evident that the primary growth locations should focus on the I-88 and U.S. Route 20 corridors. A second tier priority should be for other communities in the county such as Middleburgh and Gilboa.

In order to facilitate and manage the growth strategy and locations, a master land use plan should be developed for the two corridors and begin a formal next-generation zoning program that helps set expectations and contains certain types of growth within defined areas.

4. Types of Facilities Required

- > Flexible Office Space
- > Flexible Manufacturing Space
- > Warehouse Sites
- > Lab Space
- > Sports Area

5. Enhancing Quality of Life Attributes

- > Housing
- > Retail in Cobleskill

Action Plan for Implementing an Economic Development Strategy

A fifteen point action plan is provided at the back of the report that provides both short and long term items that focus on both economic and community development.

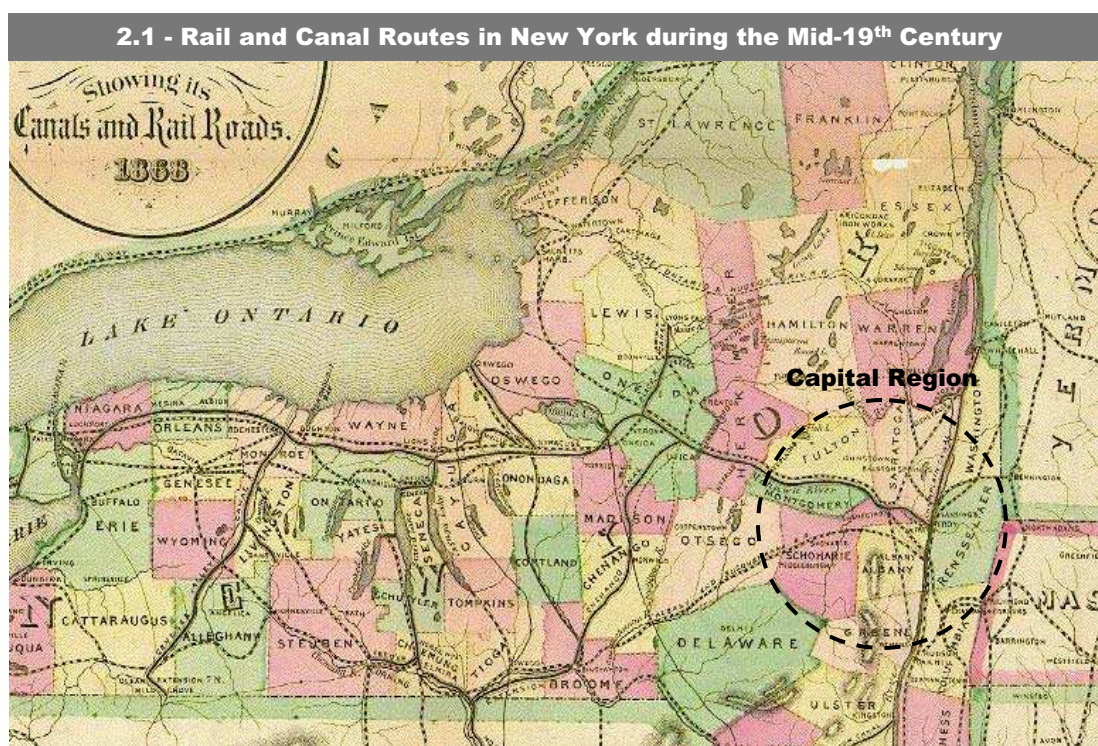
2 Overview on Economic Activity in the Capital Region

2. Overview on Economy Activity in the Capital Region

2.1 Historical Perspective on Region Economy

The underpinning of the Capital Region's economy has evolved over time and transitioned through several eras. During Colonial times, the Hudson, Mohawk and Schoharie Valleys served as agricultural centers for an expanding Northeast population. The region still has a significant number of farms that produce milk and milk products, vegetable and grain crops, fruits, and other products. The area is also host to the State Capital and its many back offices that support state agencies and administrative functions. The federal government and its contractors also have had installations throughout the region, including: Scotia Naval Depot, Knolls Atomic Power Laboratory, West Milton naval training center, Malta Test Site, Watervliet Arsenal and others.

Commerce has long been an important economic segment for the region due to traffic on the Hudson River as well as the coming of the Erie Canal in the 1820's and later the Erie Barge Canal to move commodities to the west. The railroads came to the area in the 1830's and the region became a hub for north/south and east/west transport of goods. The large switching yard in Selkirk served regional rail activity. Currently, the region is increasing its role as a regional distribution center for eastern New York and New England due to the availability of land, access to interstates and moderate operating costs.



2. Overview on Economy Activity in the Capital Region

2.1 Historical Perspective on Region Economy (cont'd)

Manufacturing has been a major economic driver in the region since the early 1800's. Troy was a center for iron and steel due to its proximity to ore deposits in the Adirondacks and along Lake Champlain at Port Henry. It was also known for its apparel and was named the "collar city" for its manufacturing of detachable collars during the late 1800's. Major manufacturing companies have built plants in the region over the years, including, General Electric (GE) in Schenectady, Saratoga and Albany Counties; The American Locomotive Company (ALCO) in Schenectady County; Ford Motor Company in Albany County; several paper mills in Saratoga and Albany Counties, textiles in Albany County as well as the carpet and rug industry in Montgomery County.

2.2 - Overview on the Region's Economic Heritage



The American Locomotive Company built steam and then diesel-electric locomotives in Schenectady until the plant closed in the late 1960's.



The GE plant in Schenectady developed many of the company's early electrical products and became most know as the home of GE Power Generation manufacturing gas and steam turbines and generators. Over the years, employment at the plant reached a high point during WWII of over 40,000 but today employment is less than 3,000. GE also has a large corporate R&D center near Schenectady as well as a silicone rubber plant in Saratoga County and a plastics plant in Albany County.



2. Overview on Economic Activity in the Capital Region

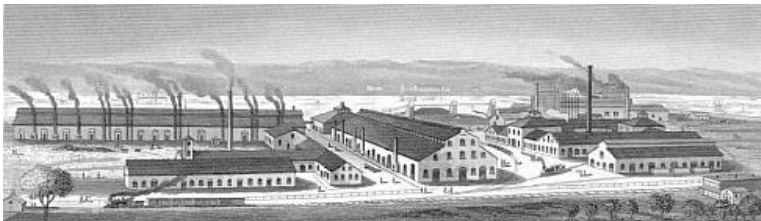
2.1 Historical Perspective on Region Economy (cont'd)



Former rug and carpet mill complex in Amsterdam (Montgomery County) that relocated to Georgia in the 1960's.



Watervliet Arsenal was established in 1813 to produce large bore cannon. The facility is still manufacturing large cannon along with machining large marine components for the military.



The H. Burden & Sons iron and nail factory in Troy had the most powerful under shot water wheel in the world. The company applied many innovations to the mass production of nail, rail spike and horse shoes.



This Schoharie County farm represents a tradition of agriculture in the rural portions of the Capital Region that produce dairy products, vegetable and grain crops, fruits and other products.



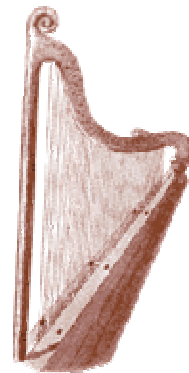
The paper industry has provided significant employment within the Capital Region over the years, including the existing Mohawk Paper Mills in Cohoes as well as the former International Paper mill in Corinth and the West Virginia Pulp & Paper mill in Mechanicville

2. Overview on Economic Activity in the Capital Region

2.1 Historical Perspective on region Economy (cont'd)

Within Schoharie County, there have been many different industries since the mid-1700's when the first flour and lumber mills were established. Examples of local industry include:

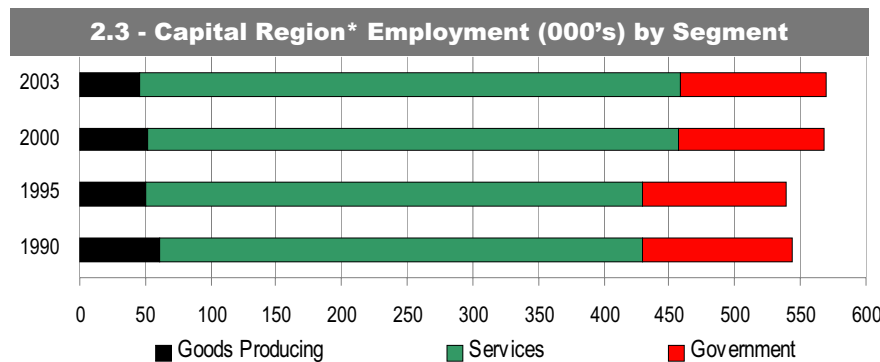
- Agricultural equipment
 - Fearless threshers
 - Fearless manure spreaders
 - Straw cutters
 - Barn silos
- Carriages
- Household furniture
- Boots and shoes
- Sash and blinds
- Silk undergarments
- Wool felt hats
- Lace
- Shirtwaists
- Paper
- Ice refrigerators
- Wooden extension ladders
- Cigars
- Limestone block, cement and stone
- Harps
- Vinegar cider
- Milk processing/bottling
- Molded plastic parts



2. Overview on Economic Activity in the Capital Region

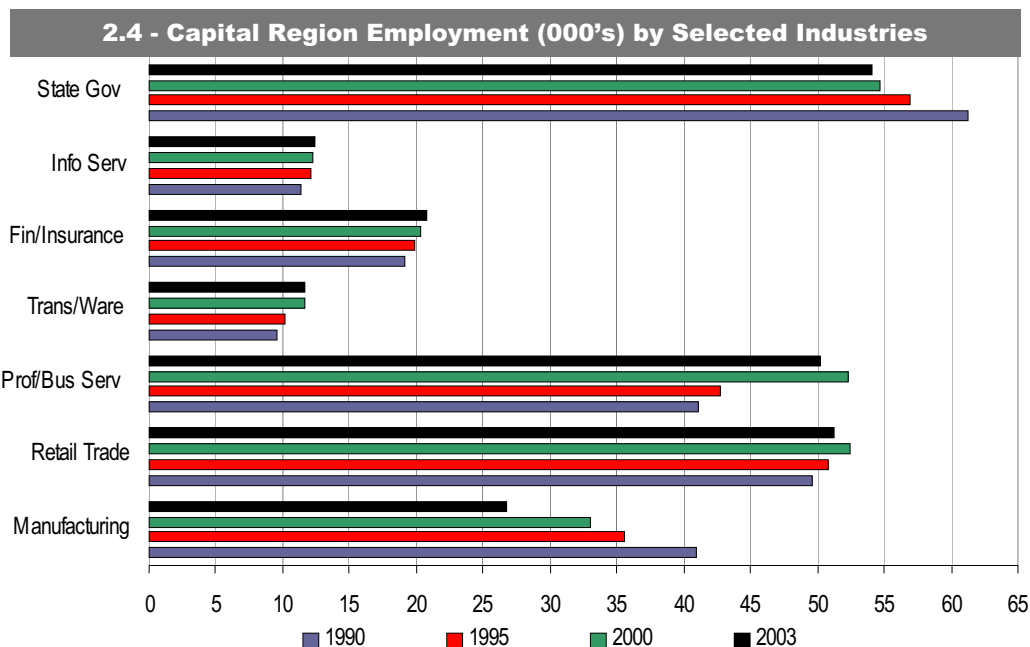
2.2 Current Economic Profile of the Capital Region

As noted below, the employment level of goods producing companies continues to decline (as it is nationally due to foreign competition) while the government segment has reduced moderately and the services sector continues to expand.



*Capital Region includes: Albany, Montgomery, Rensselaer, Saratoga, Schenectady and Schoharie Counties

Since 1990, state government employment has been reduced by 11% while manufacturing has dropped by 35%. Professional/business services has grown by 9% and there has been modest growth in finance/insurance, transportation/warehousing and retail trade. There is an emerging segment of small technology-related companies with 50 or less employees that are derived from RPI or other university research activity or spin-offs from local companies.



2. Overview on Economic Activity in the Capital Region

2.2 Current Economic Profile of the Capital Region (cont'd)

Presented below are the employment levels for current manufacturing operations within the Capital Region and for individual counties within and adjacent to the Capital Region.

2.5 - Capital Region Employment* for Selected Mfg. Industries

Industry	Employment	Total Companies	No. of Companies in Employment Range			
			<50	50-250	250-1,000	>1,000
Food		75	63	9	3	0
Textiles		18	9	8	1	0
Paper		21	12	7	2	0
Printing		88	79	7	1	1
Chemicals/Resins		29	24	2	2	1
Plastic/Rubber Products		39	23	15	1	0
Fabricated Metal Prod.		98	78	19	1	0
Machinery		43	33	8	1	1
Computer/Electronics		3	2	1	0	0
Electrical Equip.		8	6	1	1	0
Transportation Equip.		14	10	4	0	0

500-999 1,000-2,499 2,500-5,000

*Capital Region includes: Albany, Montgomery, Rensselaer, Saratoga, Schenectady and Schoharie Counties

2.6 - County Employment Within Selected Manufacturing Industries

	Plastics	Fab. Metal	Electronics	Trans. Eq.	Medical Eq.	Food Mfg.	Machinery	Pharma/Med.
Albany								
Columbia								
Delaware								
Fulton								
Greene								
Montgomery								
Otsego								
Rensselaer								
Saratoga								
Schenectady								
Schoharie								
Warren								
Washington								

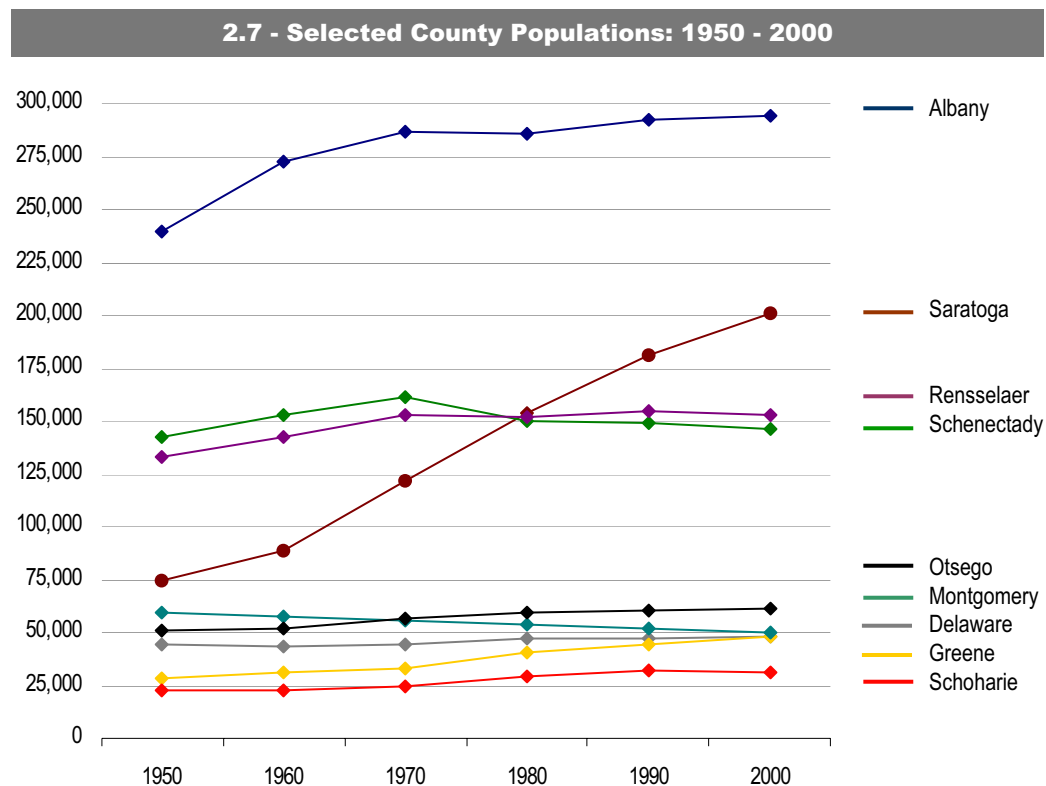
<50 50-99 100-249 250-499 500-1,000 >1,000

2. Overview on Economic Activity in the Capital Region

2.3 Indicators of Economic Growth and Viability

Population growth is a significant indicator of long-term economic viability. Since 1950, there has been an overall moderate growth of population within the Capital Region. As the national economy ramped up after World War II and the Baby Boomer phenomenon began, there was a reflection of this in portions of the Capital Region, in particular, Albany, Schenectady and Rensselaer Counties. By the 1970's, growth had reached a saturation point and has flattened out over the past 30 years.

In the rural outlying communities, growth has been significantly less but steady since 1950. Montgomery County continues to drop in population due to the loss of their primary employer in the 1960's – the rug and carpet industry – and has not been able to easily replace the former jobs. In contrast, Saratoga County continues to be one of the fastest growing counties in the state since the 1960's when the Northway (I-87) connected the county to jobs in Albany County and provided direct access to an interstate.



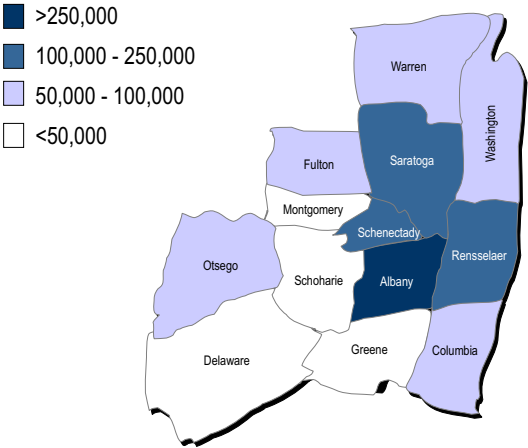
2. Overview on Economic Activity in the Capital Region

2.3 Indicators of Economic Growth and Viability (cont'd)

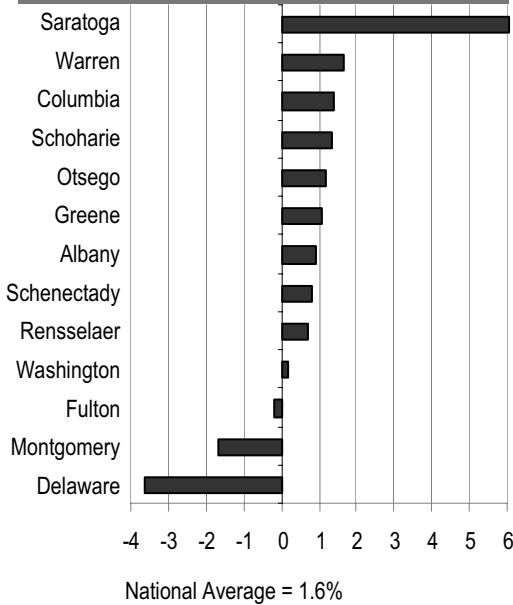
The current population of the region centers around the cities of Albany, Schenectady and Troy along with the adjacent suburbs in Albany, Schenectady, Rensselaer and Saratoga Counties. There is also growth in and near the City of Saratoga Springs.

Projected population growth is strongest in the I-87 corridor, particularly in Saratoga County. A number of counties, including Schoharie, will see modest growth over the next five years as urban sprawl begins to impact more rural areas that have lower cost land and access to an interstate for commuting purposes.

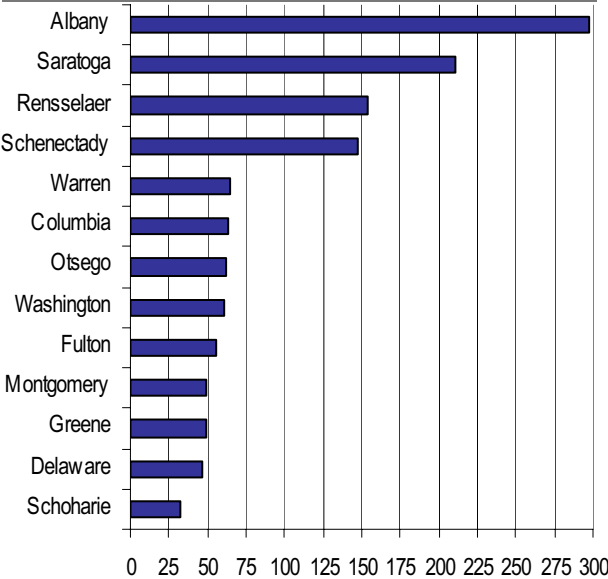
2.8 - Current Population



2.9 - Five-Year Growth Projection



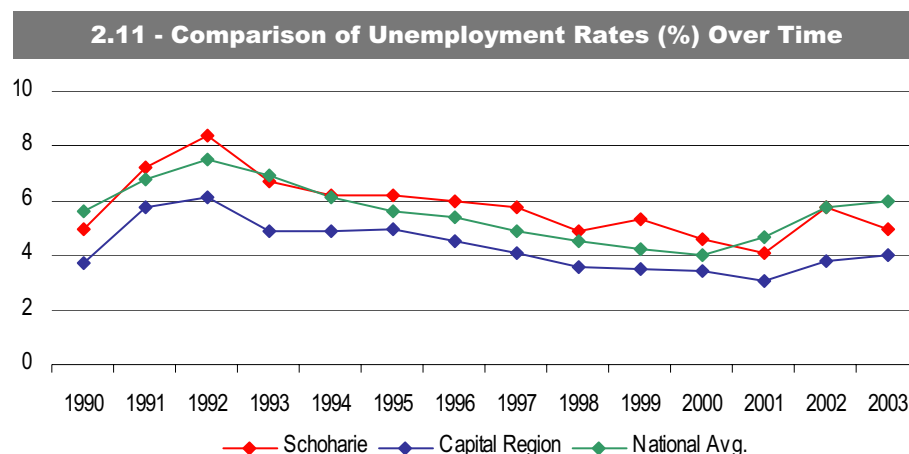
2.10 - Current Population (000's)



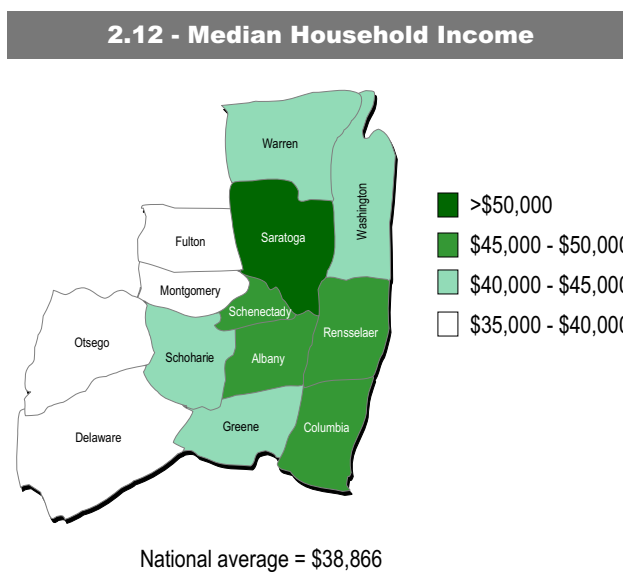
2. Overview on Economic Activity in the Capital Region

2.3 Indicators of Economic Growth and Viability (cont'd)

Another key indicator of economic growth and viability is unemployment rate over time. The Capital Region's unemployment rate has stayed consistently below the national average due to the employment composition of the local economy. Segments such as state and federal government, colleges and universities, and certain financial services are less susceptible to recessionary swings. Schoharie County's unemployment fluctuates at or near the national average. Many of the jobs held by county residents are in manufacturing, retail and other services that are more susceptible to layoffs in a soft economy.



Median Household Income (MHI) is also a key indicator of the level of economic growth. With the exception of Montgomery County, the counties within the Capital Region exceed the national average of \$38,866. Schoharie County's MHI is \$40,786.



2. Overview on Economic Activity in the Capital Region

2.4 Long Term Outlook for the Capital Region Economy

The long-term outlook for the region is positive while the mix of economic drivers is evolving. Reviewing the current situation and economic indicators, the region would be characterized as a mature, post industrial economy with an overall flat growth rate (except for Saratoga County) and a strong dependence on state government employment and a few large employers. GE is the largest private employer in the region with about 5,000 total employees distributed amongst its R&D operations in Schenectady County and manufacturing plants in Saratoga, Schenectady and Albany Counties. Outlook for specific economic segments is provided below:

State Government – as host to the State Capital, the region will continue to have some level of employment in service to the state, however, growth in this segment will not be substantial and during periods of budget short-falls employment will be reduced. State government employment should be viewed as a low growth, low volatility portion of the region's economic portfolio.

Traditional Manufacturing – many large traditional manufacturing operations (heavy equipment and machinery, textiles, rugs and carpets, apparel, paper, steel, etc.) have been shut down or substantially down-sized over the past 40 years. The potential for new operations of this type returning to the region is unlikely due to the labor, energy and facility costs as well as the reputation of being a heavily unionized area. Large capital-intensive operations such as GE Plastics and Silicones as well as Mohawk Paper will remain in the area as long as a reasonable level of profitability can be sustained.

Specialty Manufacturing – another group of regional manufacturers include medical instruments (primarily in Warren and Washington County), plastics molding, electronics, pharmaceuticals and chemicals comprise small and mid-size companies with higher value products that can be profitable in a moderate cost environment.

Emerging Technology-Related Industries – driven primarily by R&D at RPI, SUNY University at Albany and private R&D operations, the region has a significant growth in technology-related service and manufacturing companies that should continue to expand. Support from the state and federal governments is helping to stimulate this activity.

Financial Services – there is a significant financial services industry (banking, insurance, securities) in the region that continues to expand due to the moderate cost of labor and proximity to New York City and Boston.

2. Overview on Economic Activity in the Capital Region

2.4 Long Term Outlook for the Capital Region Economy (cont'd)

Distribution Operations – the region should continue expanding as a distribution center to serve not only local needs but also portions of New England and the Hudson Valley. A key resource for supporting growth is flat land within a reasonable access of an interstate exit. Land along the I-87 corridor and along the Thruway close in to Albany is becoming saturated with development. Potential sites could be made available along I-90 in southern Rensselaer County, western Schenectady County, in Montgomery and Fulton Counties and at the northern end of I-88 in Schoharie and Schenectady Counties.

Schoharie County

Long Range Economic Development Strategy

3

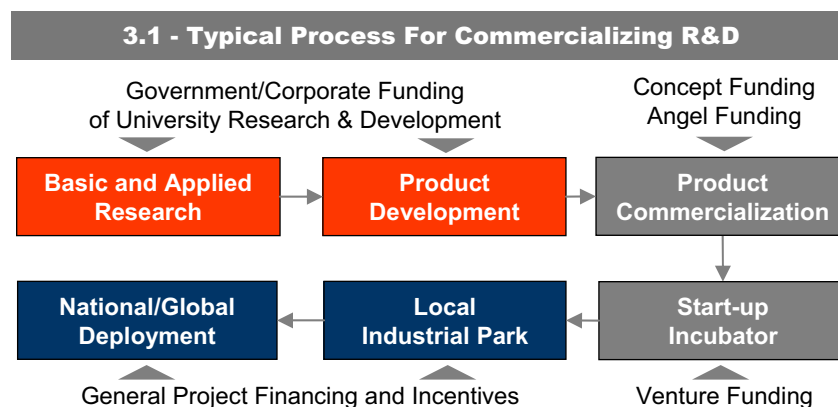
Assessment of Resources That Support Economic Development

I. Overview on Resources to Stimulate/Support Economic Development

A key indicator of potential growth within a region is the presence of the resources required to stimulate and support growth. The resources required will be determined by the industries and types of operations being considered for growth. In general, resources will include:

- R&D resources for technology-derived businesses
- Incubators and support for new business startups
- Quality and quantity of available labor
- Training and education resources
- Transportation (air, interstate, rail, etc.) with access to customers and suppliers
- Local business environment
- Business costs (real estate, labor, utilities, taxes, etc.)
- Availability of flat land, facilities and utility access/capacity (power, gas, water, sewer, telecom)
- Quality of life for attracting professionals into the community

When there is a strategy to derive technology businesses from local R&D, there is a well-defined process that takes place as shown in the chart below. Basic and applied research as well as initial product development are conducted in a university, private industry or government R&D center with funding provided by private or government sources. A product with perceived potential goes through the commercialization process (patents and ownership designations) through the provision for concept and angel funding. Product development becomes a business venture and the product/business life cycle start-up begins. For new companies, there are business incubators that provide a variety of business services, facilities and management support at low rates to help get the business established. Within this section, an overview and assessment of each local resource will be presented and assessed to determine what is available to Schoharie County to support economic development.



II. Assessment of Resources

An assessment of each resource is provided in the table below:

Section/Pages With Report	Description of Resource	Assessment/Comments
Section III Pgs. 3.3 – 3.6	R&D Resources for Technology-Driven Companies	Significant university research at RPI in Troy and SUNY – University at Albany as well as at several private firms located throughout the Capital Region
Section IV Pgs. 3.7 – 3.8	Incubators and Resources for New Business Start-Ups	There are several incubators with start-up resource capability throughout the Capital Region
Section V Pgs. 3.9 – 3.10	Technology companies within the Capital Region	There are 170+ technology companies throughout the region with about 10 companies located in rural areas
Section VI Pgs. 3.11 – 3.16	Quantity and Quality of Available Labor	Largest concentration in the Cobleskill/Esperance corridor with other labor coming from Schenectady and Albany Counties
Section VII Pgs. 3.17 – 3.18	Major private employers in Schoharie County	Limited industry (primarily plastics) along with education institutions, healthcare, construction and tourism
Section VIII Pgs. 3.19 – 3.21	Training Education Resources	SUNY Cobleskill has two-year and some four-year business, science and IT opportunities . . . not a community college. Will offer to package technical training that is non-accredited
Section IX Pgs. 3.22 – 3.23	Transportation	The I-88 corridor has excellent access to an interstate and the NYS Thruway as well as Albany International Airport, rail lines and the Port of Albany
Section X Pgs. 3.24 – 3.25	Business Costs	Land at or below rest of region, taxes equal and higher than some locations, labor will be on par with region and energy in Richmondville is low for commercial users
Section XI Pg. 3.25	Local Business Environment	Based on local attitudes, regulations and support for specific industries and types of operations
Section XII Pgs. 3.26 – 3.27	Availability of Flat Land	Limited flat land along I-88 and U.S. Route 20 corridors
Section XIII Pg. 3.28	Available Facilities With Utility Access	The former Guilford Mills complex with a total of 485,000 SF on 40 acres with complete utility access adjacent to I-88 in Cobleskill is the primary available property in the county and has mixed use potential
Section XIV Pgs. 3.29 – 3.33	Quality of Life for Recruiting Professionals to the Community	Country and small town ambience with access to metro area. Low inventory of housing, moderate to high taxes and schools are not rated as high as metro suburban schools

III. R&D Operations in the Capital Region

Commercial R&D Operations

There are a variety of commercial R&D operations throughout the region that develop products and solutions for local, national and global customers.

Operation	Location	Scope of Activity	Employment
1. DarTech	Rensselaer	Biotechnology	<10
2. Albany NanoTech – Energy and Environmental Technology Applications Center	Albany	Advanced materials and energy	11 - 20
3. Mohawk Innovative Technology	Albany	Advanced materials, energy and biotechnology	11 - 20
4. M&P Lab	Schenectady	Materials analysis	21 - 50
5. Adirondack Environmental Service	Albany	Material/product testing	21 - 50
6. Ordway Research Institute	Albany	Biotechnology	51 - 100
7. Albany NanoTech – Center for Excellence in Nanoelectronics	Albany	Advanced materials, energy and nanotechnology	100 - 500
8. Foster-Miller Technologies	Albany	Advanced materials, energy, biotechnology, information technology, nanotechnology	100 - 500
9. New York Oncology/Hematology	Albany	Medical laboratory	100 - 500
10. Benet Laboratories (U.S. Army)	Watervliet	Advanced materials, energy, information technology, nanotechnology	>500
11. Wadsworth Center	Albany	Biotechnology	>500
12. GE Global Research	Niskayuna	Advanced materials, energy, information technology, biotechnology and nanotechnology	>500
13. Regeneron	Rensselaer	Biotechnology	>500

University R&D Operations

The two primary university research operations within the Capital Region are:

Operation	Location	Scope of R&D Activity
1. Rensselaer Polytechnic Institute	Troy	Biotechnology, information technology, nanotechnology, microelectronics and modeling & simulation
2. SUNY – University at Albany	Albany	Advanced materials, nanotechnology, biotechnology, energy and environmental/atmospheric sciences

III. R&D Operations in the Capital Region (cont'd)

GE Global Research Center

GE has its global R&D center headquarters in Niskayuna (near Schenectady) along with complementary operations in India and China. Total R&D employment is over 2,000 and the key areas of emphasis are technologies related to:

- Advanced computing as well as information and decision processing
- Ceramics and metallurgy
- Combinatorial chemistry and environmental
- Electronic and photonic systems
- Energy and propulsion
- Imaging (medical applications)
- Mechanical and e-engineering
- Inspection and manufacturing
- Micro and nano structures
- Polymers and specialty chemicals



GE's R&D efforts help support existing product lines and processes as well as seek new business opportunities through new technologies and applications

GE Plastics

In addition to resin manufacturing in Selkirk and silicone manufacturing in Waterford, GE Plastics has a Customer Innovation Center in Selkirk to help customers apply the use of color in a molded product and then produce a prototype part or component on-site in the molding lab. GE Plastics also has their global headquarters and technology application center in nearby Pittsfield, MA.



III. R&D Operations in the Capital Region (cont'd)

Rensselaer Polytechnic Institute

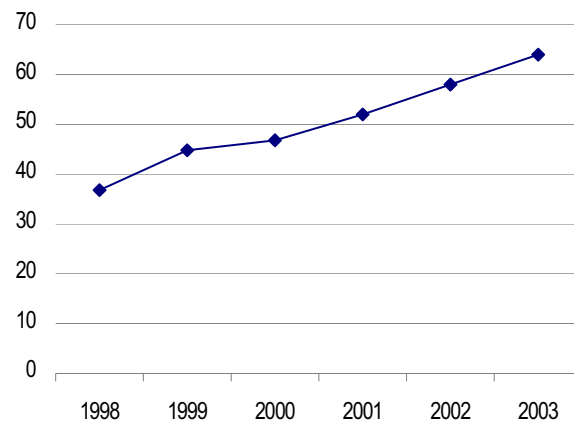
R&D activity at RPI continues to expand and has grown from \$38 million in 1998 to \$64 in 2003 which is significant for a university of its size. Most major U.S. universities have research budgets in the \$200+ million range, with a significant amount of the research applied toward life sciences. Funding for RPI's research comes from federal agencies (over 50%), another 12% from corporate sources and the balance from state and private sources.

The majority of RPI's R&D is focused on engineering science rather than basic research. This results in R&D output having output of RPI's efforts having more emphasis on real-life applications and solutions than on theory and therefore may be more easily and quickly converted to actual products.

RPI's R&D efforts are primarily focused on the following areas:

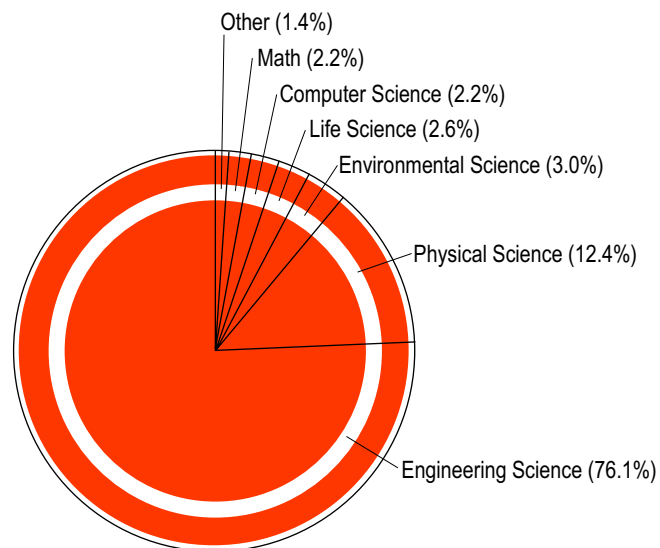
- Biotechnology
- Information Technology
- Nanotechnology
- Microelectronics
- Modeling & Simulation

3.2 - RPI R&D Budget: 1998 - 2003



Source: RPI R&D Annual Report

3.3 - R&D Program Activity at RPI



Source: University R&D statistics compiled by the University of FL and is based on the spending budget in 2000.

III. R&D Operations in the Capital Region (cont'd)

SUNY – University at Albany

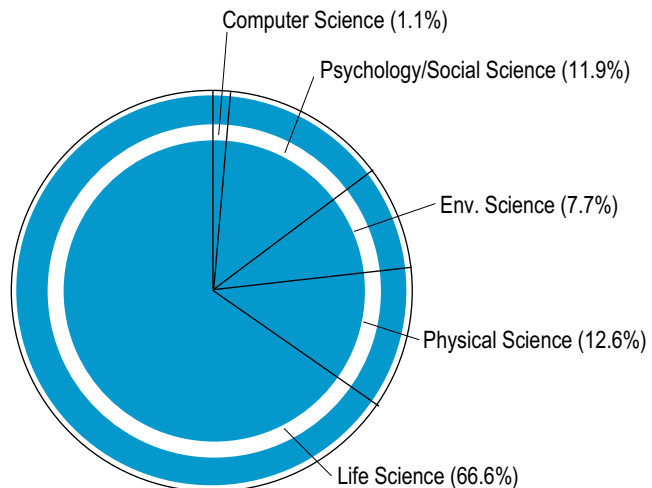
Research expenditures exceed \$80 million. Key areas of focus for research include:

- Biotechnology/life sciences
- Computer and information technology
- Environmental sciences and technology
- Advanced materials
- Physical sciences

The State of New York is investing substantially in nano-technology with applications in:

- Electronics
- Photonics (light-based signals)
- Materials processing
- Sensors
- Metrology (measurement) and analysis
- Computer modeling
- Thin film applications

3.4 - R&D Program Activity at SUNY - Albany



Source: University R&D statistics compiled by the University of FL and is based on the spending budget in 2000.



Artist's rendering of Albany NanoTech's facility at SUNY – Albany currently under construction

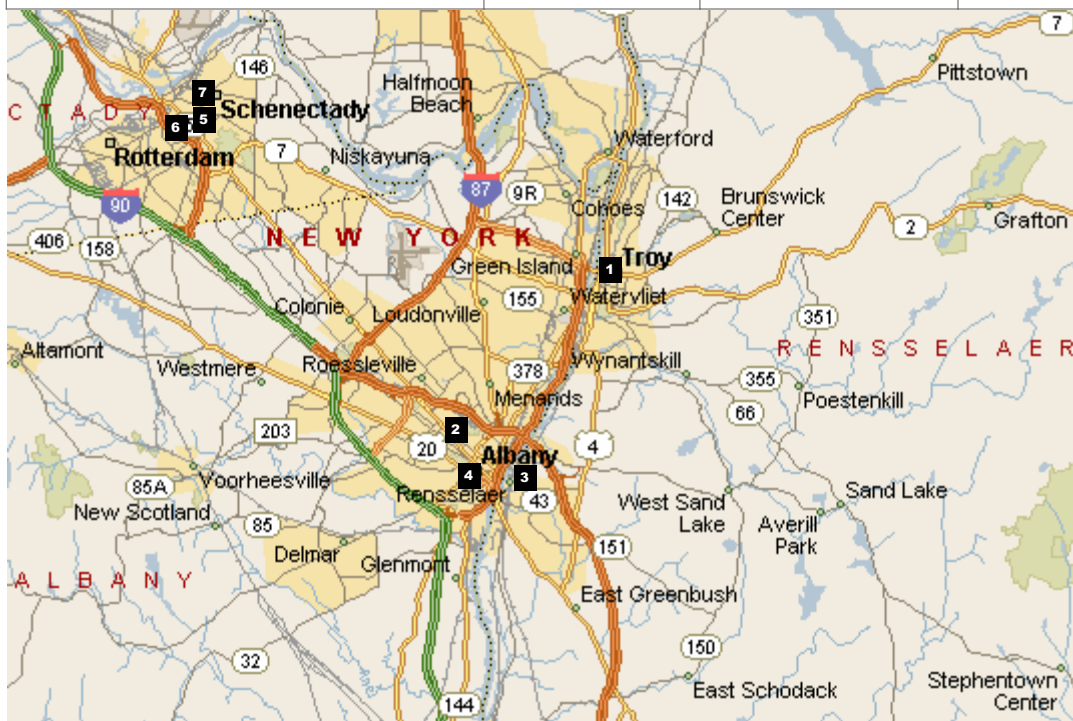
IV. Business Incubators in the Capital Region

RPI has had an technology business incubator program operating since the early 1980's. More recently, other incubators have been established to stimulate business growth to expand job opportunities throughout the region.

Incubators are typically facilities of various sizes and configurations that support the growth of startup companies with low-cost space, access to utilities, shared office/business services and mentorship on developing business and marketing plans, and the mechanics of running a business.

3.5 - Examples of Incubator Operations Within the Capital Region

Facility	Location	Use Categories	Size (SF)
1. Rensselaer Incubator Program	Troy/Watervliet	Technology	100,000+
2. Center for Environmental Sciences & Technology Management	Albany	Technology	120,000
3. East Campus at State University of NY	Rensselaer	Biomedical	100,000
4. Albany Center for Economic Success	Albany	Mixed-Use	18,000
5. Schenectady Business & Technology Center	Schenectady	Technology	15,000
6. Schenectady County Community Bus. Center	Schenectady	Mixed-Use	19,000
7. U-Start Business Incubator (Union College)	Schenectady	Technology	2,000



Moran, Stahl & Boyer

IV. Business Incubators in the Capital Region (cont'd)

RPI's Office of Technology Commercialization

The Office of Technology Commercialization oversees and facilitates the management of intellectual property and the transfer of R&D activity from RPI into potential products and businesses. The office processes approximated 80 disclosures and negotiates 12-15 agreements per year.

Rensselaer Incubator Program

Established over 20 years ago, the Rensselaer Incubator program has helped establish over 180 companies representing a total employment of over 2,000 jobs and an annual revenue of over \$500 million. The overall function of the operation is three-fold:

- Enrich the academic environment at RPI
- Support technology transfer
- Stimulate regional economic development

The incubator operation is located both on the main campus of RPI as well as across the Hudson River in Watervliet. Services that are offered to startup companies include:

- Office/manufacturing/lab space
- Utilities (power, water, sewer, phone/internet)
- Shared office services
- Business support services

The incubator program has remained self-sufficient since it's inception and continues to host a variety of businesses. There are currently 43 tenants in the program.

Rensselaer Technology Park

The park consists of over 1,200 contiguous acres in Rensselaer County along the Hudson River between the cities of Troy and Rensselaer. There are 450 developed acres with 23 buildings comprised of over one million square feet of space. Currently, the park hosts 50 tenants representing a wide diversity of technologies that support 2,200 jobs. The park has a formal master plan that includes areas for technology facilities, housing, water front and open space.

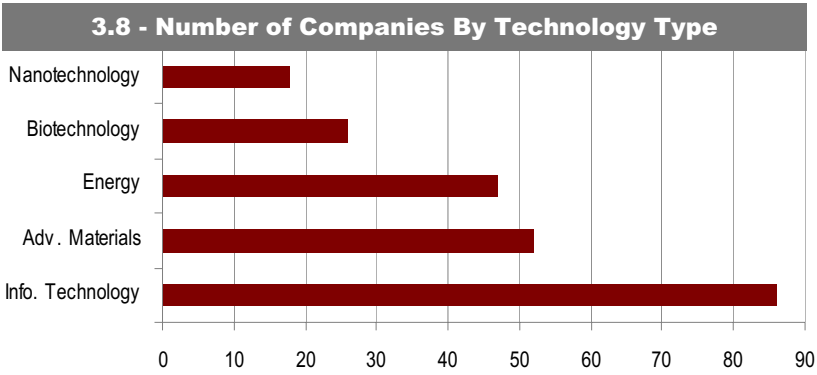
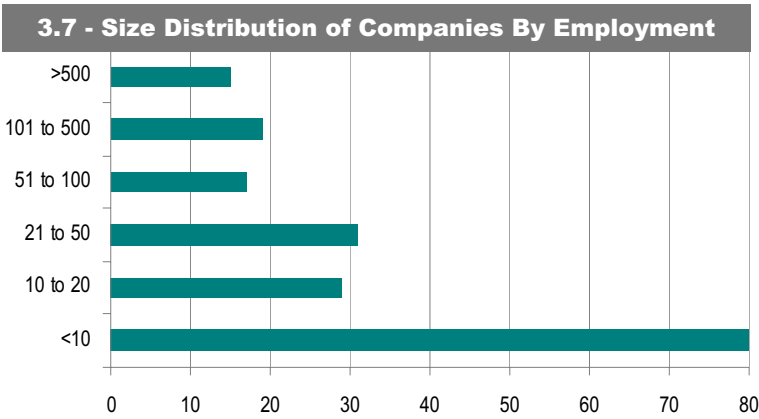
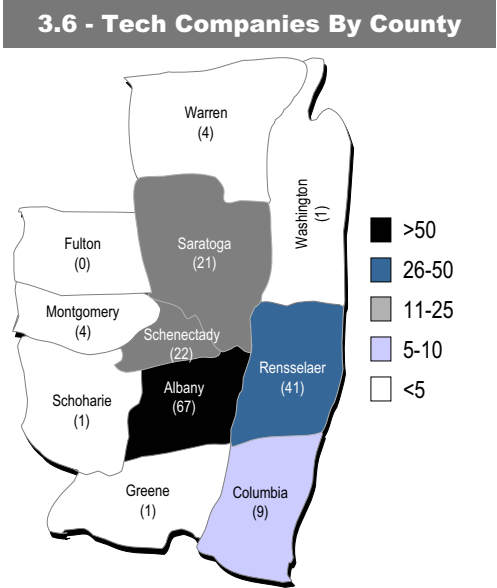


V. Technology Companies Within the Capital Region

There are approximately 170 technology-related companies throughout the capital region representing five core technology areas:

- Nanotechnology
- Biotechnology
- Energy
- Advanced materials
- Information technology

Details on each company are available at www.technologyroadmap.org.



V. Technology Companies Within the Capital Region

Technology Companies in Rural Areas

A number of technology companies are located in small towns and rural areas throughout the Capital Region as noted below:

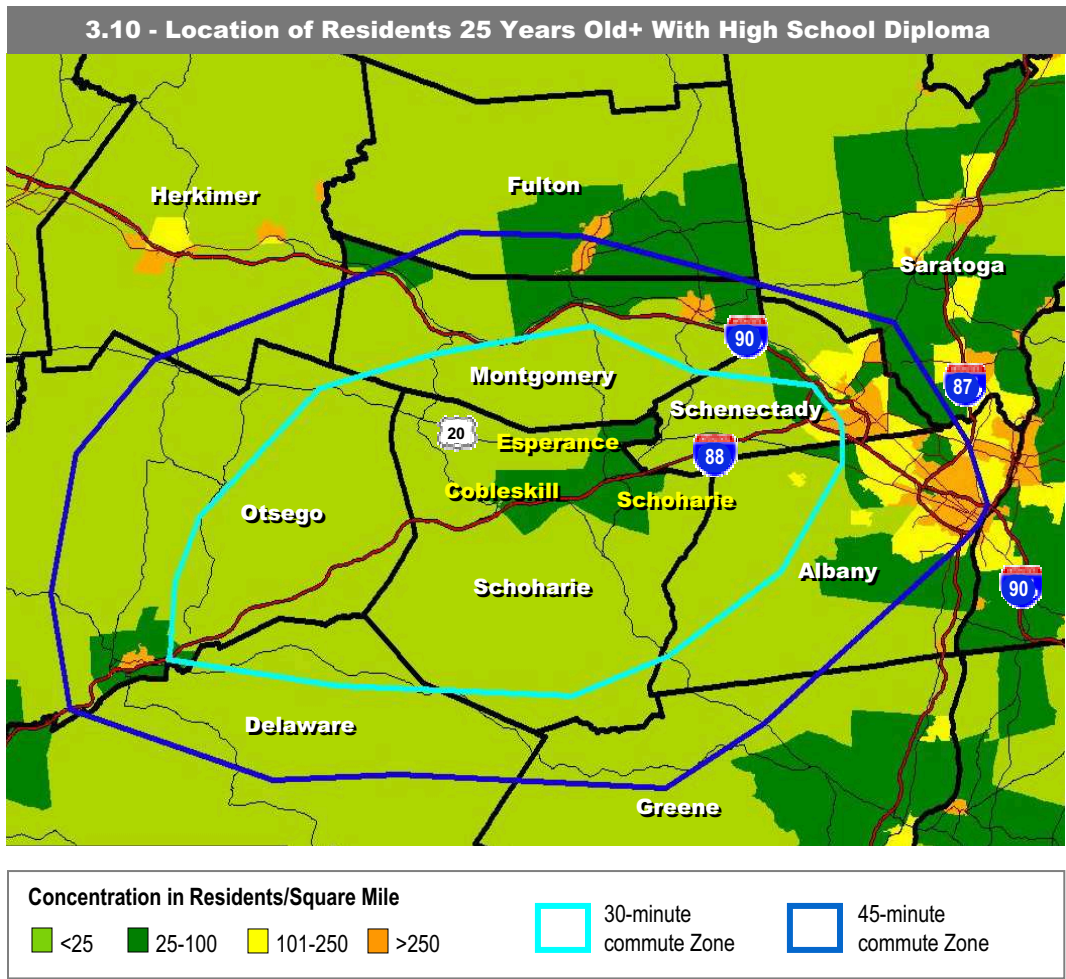
3.9 - Tech Companies in Rural Areas			
Company	County/City	Scope of Activity	Employees
1. Temper Corporation	Montgomery/Fonda	Precision metal components	21 – 50
2. Anderson Instruments	Montgomery/Fultonville	Instrumentation	51 - 100
3. WindoTherm	Rensselaer/Valley Falls	Window insulation	5 - 10
4. Taconic	Rensselaer/Petersburg	Engineered materials	100 - 500
5. Saint-Gobain Performance Plastics	Rensselaer/Hoosick Falls	Packaging	100 - 500
6. Kintz Plastics	Schoharie/Howes Cave	Multi-forming of plastic products	100 - 500
7. Adirondack Mfg.	Warren/Queensbury	Machining of stainless steel parts	2 – 5
8. Dagen Technology	Warren/Queensbury	IT (software development)	5 - 10
9. Ed Levin Jewelry	Washington/Cambridge	Specialty natural jewelry	21 - 50



VI. Labor Resources

Education Attainment: High School Diploma

Strong high school education concentration in the Towns of Esperance, Schoharie and Cobleskill.

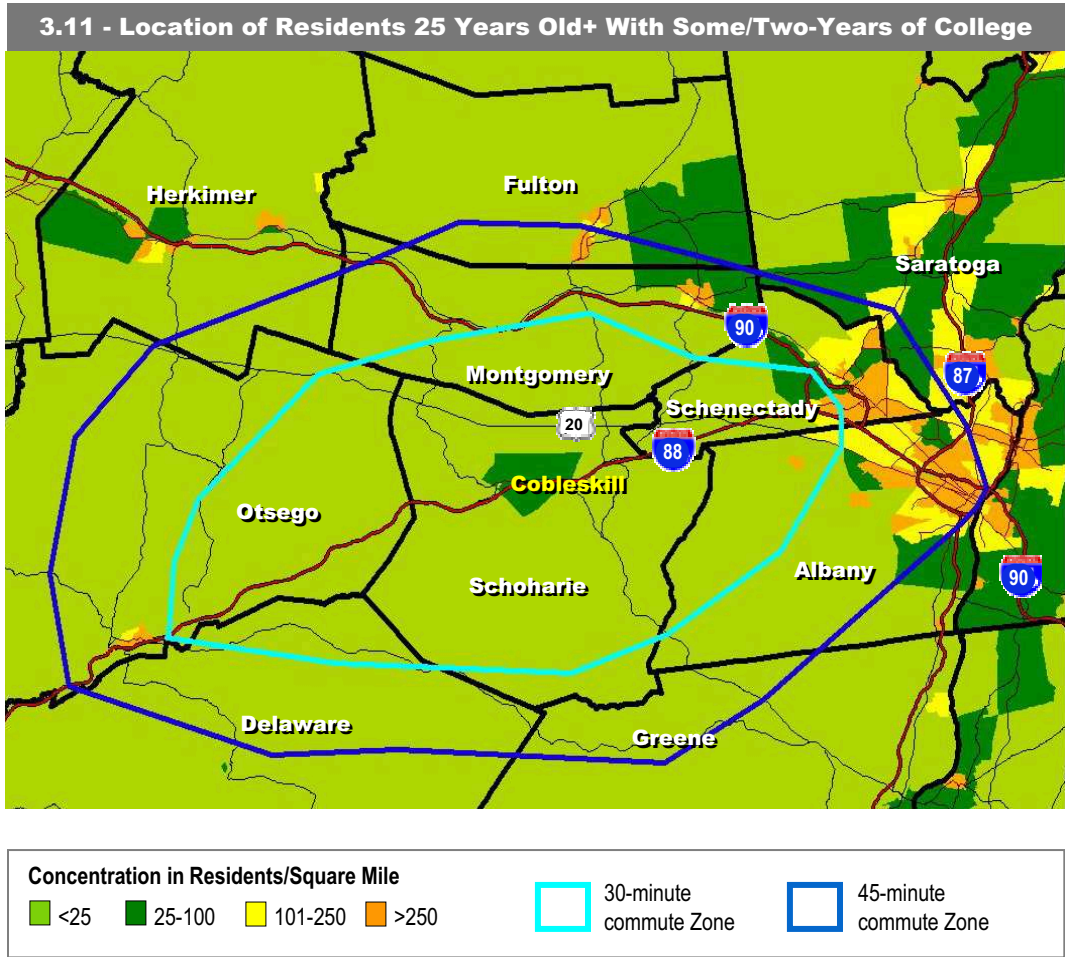


Residents With High School Diploma	
30-Minute Commute	45-Minute Commute
23,906	105,441

VI. Labor Resources (cont'd)

Education Attainment: Some and Two Years of College

High concentration of some and two-year college grads is in the Town of Cobleskill. The next closest major source is in eastern Schenectady County.

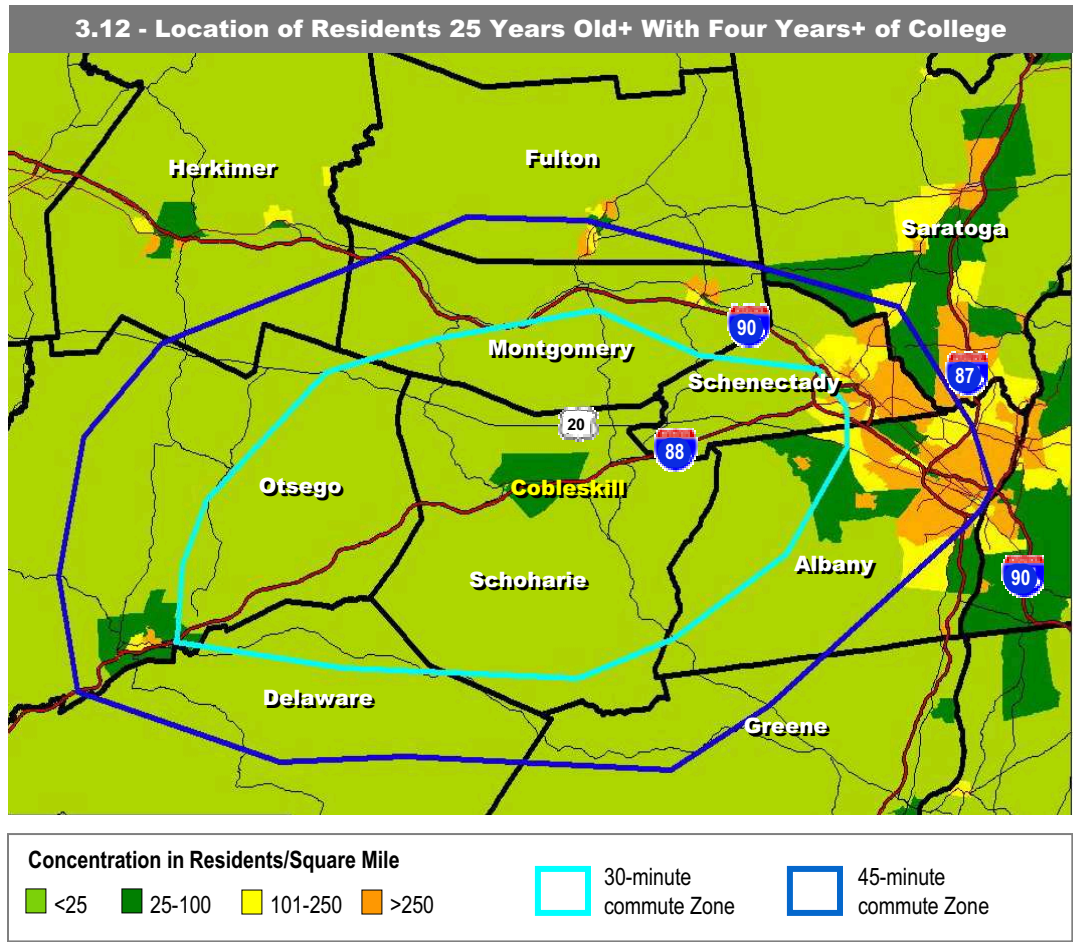


Residents With Some/two Years College	
30-Minute Commute	45-Minute Commute
17,433	92,354

VI. Labor Resources (cont'd)

Education Attainment: Four Years of College and Above

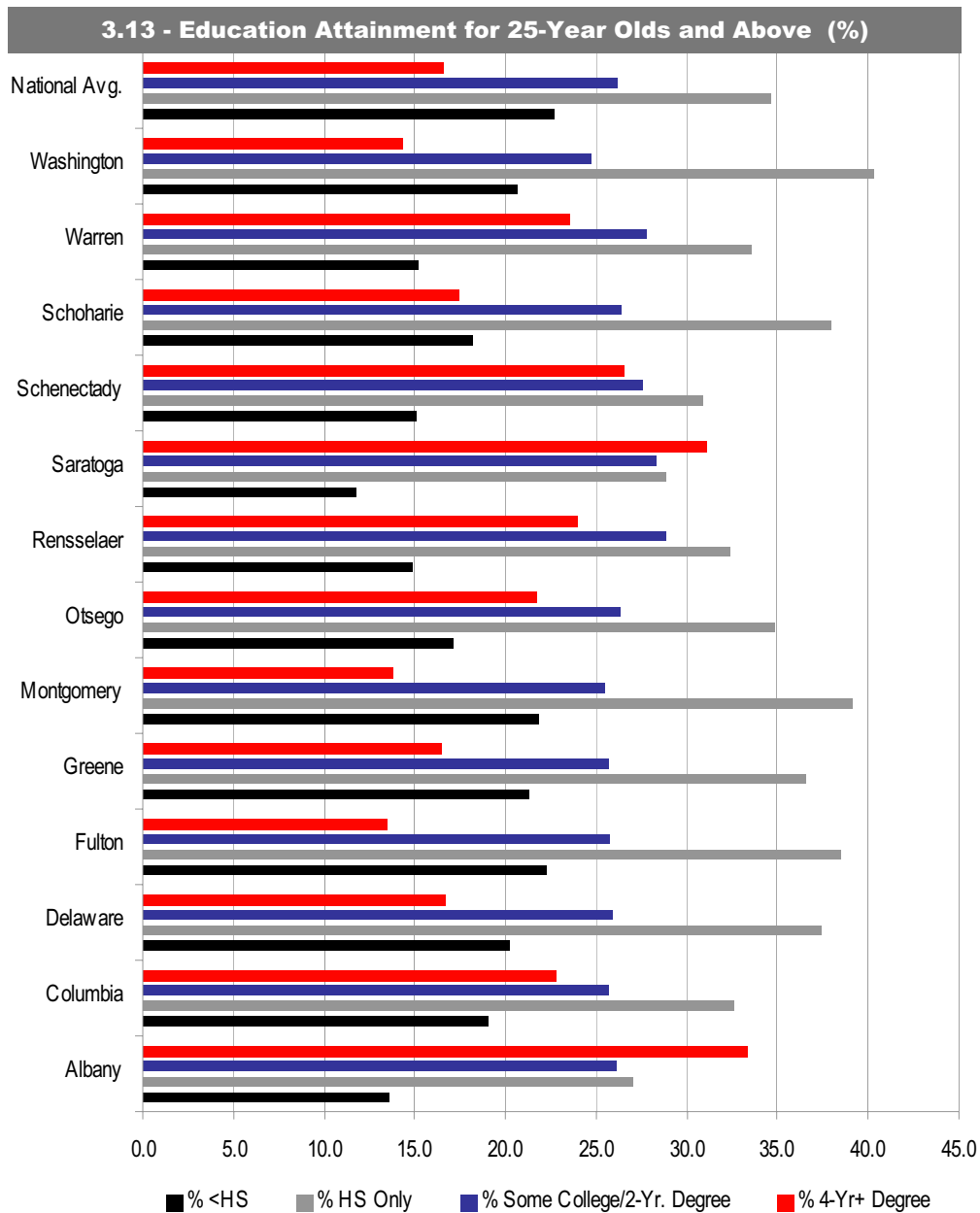
Four-year and above college grads are in the Town of Cobleskill as well as in Schenectady and Albany Counties.



Residents With Four Years+ of College	
30-Minute Commute	45-Minute Commute
13,026	99,621

VI. Labor Resources (cont'd)

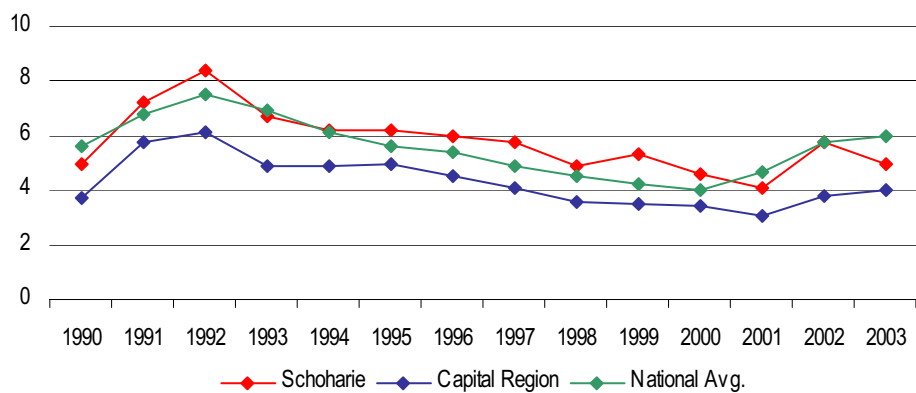
Most counties in the Capital Region have the percentage of college grads above the national average and a low rate without a high school diploma.



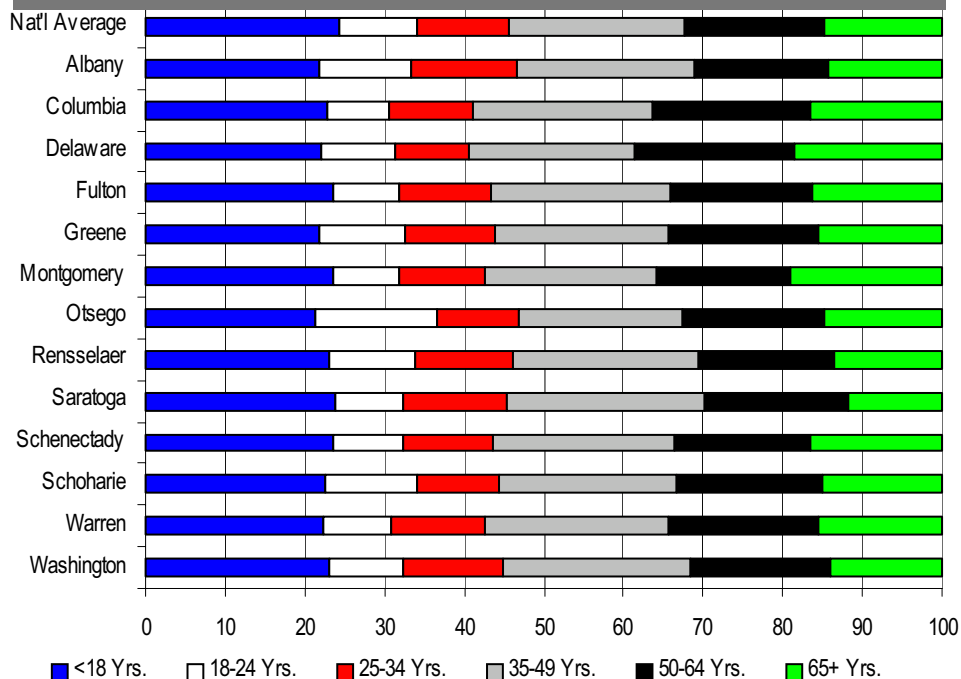
VI. Labor Resources (cont'd)

Schoharie unemployment is currently tracking lower than the national average but higher than the Capital Region which reflects employment in more volatile jobs in low-end service and manufacturing (primarily out of the county). Schoharie County age profile tracks national averages while Schenectady and Montgomery have a higher 65+ year old cohort.

3.14 - Schoharie County Unemployment Rate vs. State & National



3.15 - Current Age Segmentation By County (%)



VI. Labor Resources (cont'd)

Interviews With Local Employers

Interviews were conducted with a cross-section of Schoharie County businesses and institutions to gain an overview on the quality of the workforce and insights into operating a business in the county. A summary of information gathered from the interviews is provided below:

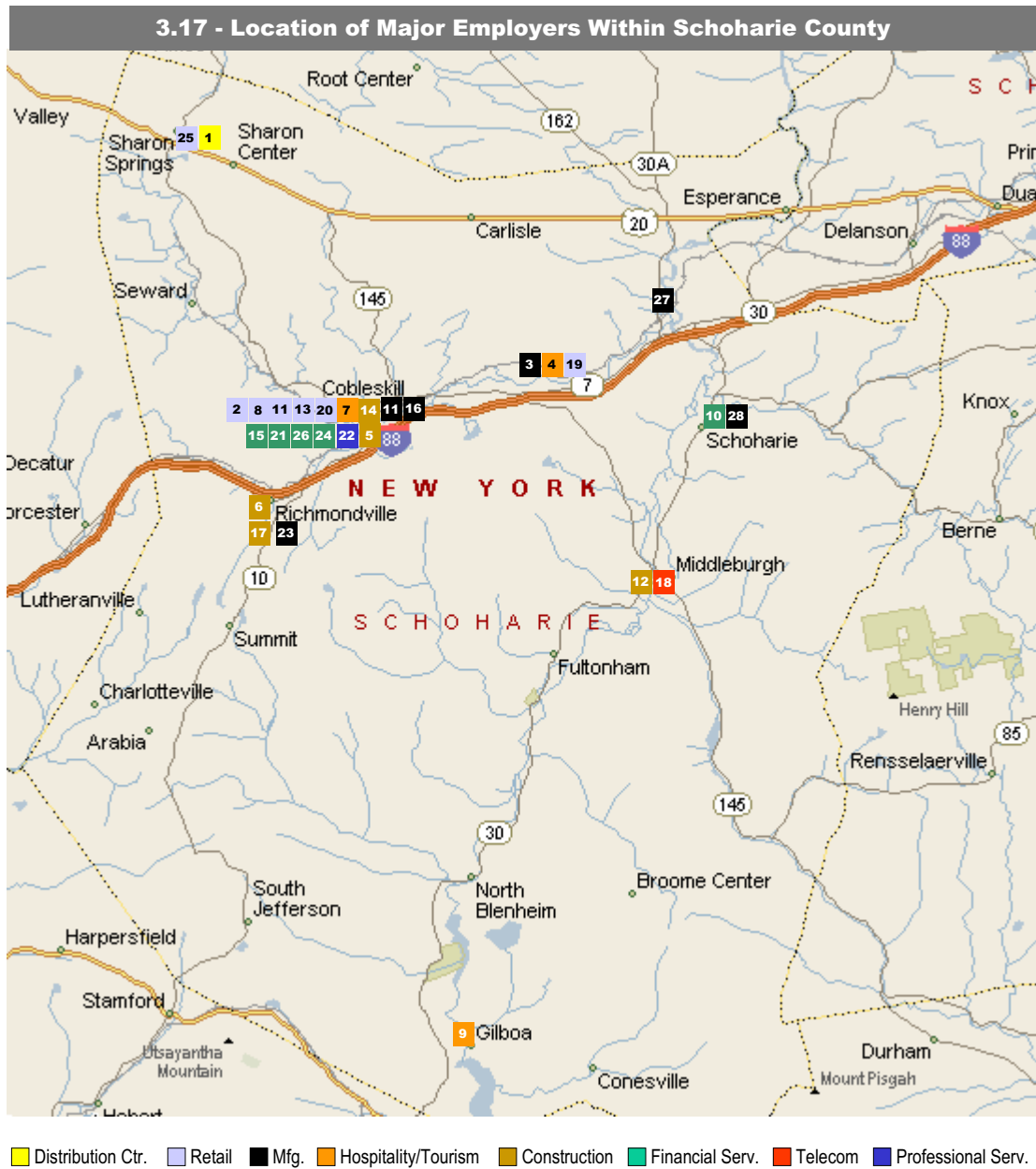
- **Work Ethic:** viewed as high and reflects farming community culture and the perceived value of having a good job that supports a rural life style.
- **Qualifications/Quality of Workers:** the quality and qualifications of older workers that have both formal training and experience is high. For example, graduates of GE's former Apprentice Program are highly qualified, however, this program was discontinued several years ago. Manufacturing and related skills are missing from the younger workers and must be taught. Some firms select high potential high school grads and send them to area technical schools for further training. The issue of having access to "manufacturing savvy" workers is a regional issue due to the decline in the manufacturing base along with the shift to higher technology manufacturing processes.
- **Labor Supply:** employers draw labor from a 30-minute radius from multiple counties. For higher skilled and management positions, individuals commute to Schoharie County from throughout the Capital Region, as far north as Glens Falls. With the presence of the Wal-Mart distribution center in northern Schoharie County employing 680 and with the Target distribution center in nearby Montgomery County planning to employ 650 (eventually 950), caution should be taken when considering additional warehousing operations in that area due to the availability of qualified labor.
- **Interface Between Local Schools and Employers:** interface between local employers and high schools and SUNY Cobleskill is minimal and needs to be improved through some type of forum backed by school-to-work, internships, part-time jobs and formal recruiting activities.
- **Training:** some employers provide in-house training that ranges from 8-hours to several weeks while others send employees to Hudson Valley Community College or other technical schools within the Capital Region.
- **Role of SUNY Cobleskill in the Community:** current role is very limited but the potential is high and the desire on the part of the college administration is positive.

VII. Major Private Employers

3.16 - Major Retail, Commercial & Industrial Employers Within Schoharie County				
	Company	Description	Location	Employment
1	Wal-Mart Distribution Center	Distribution operation	Sharon Springs	500+
2	Wal-Mart Super Center	Retail store	Cobleskill	250+
3	Kintz Plastics	Plastics molding and forming	Howes Cave	132
4	Howes Cavern	Tourist destination	Howes Cave	100+
5	Cobleskill Stone Products	Crushed stone products	Cobleskill	100
6	Lancaster Development	Heavy Construction	Richmondville	75
7	Best Western Inn	Hospitality	Cobleskill	50+
8	MacDonalds	Restaurant	Cobleskill	50+
9	Golden Acres Farm & Ranch	Resort	Gilboa	50+
10	Support Services Alliance	Insurance underwriting	Schoharie	50+
11	Price Chopper	Retail food	Cobleskill	50+
12	JJP Slip Forming	Poured concrete	Middleburgh	55
13	Rua & Sons	Retail tires & rims	Cobleskill	50
14	A&K Slipforming	Poured concrete	Cobleskill	50
15	Sterling Insurance Co.	Insurance underwriter	Cobleskill	50
16	Mill Services, Inc.	Mill work	Cobleskill	45
17	Chenango Concrete Corp.	Ready mix concrete	Richmondville	45
18	Middleburgh Telephone Co.	Telecommunications	Middleburgh	45
19	Boreali's Restaurant	Restaurant	Howes Cave	30
20	Allied Electric Supply	Retail electrical supplies	Cobleskill	30
21	Fenimore Asset Mgmt.	Financial services	Cobleskill	30
22	Lamont Engineering	Engineering/planning services	Cobleskill	30
23	Glovemasters	Leather gloves	Richmondville	30
24	Pioneer Farm Credit	Farm loans	Cobleskill	25
25	Sharon Springs Garage	Retail farm equipment	Sharon Springs	25
26	Bank of Richmondville	Banking	Cobleskill	25
27	American Std. Mfg.	Sheet metal fabrication	Central Bridge	20+
28	Harva Company	Plastics	Schoharie	20+

■ Distribution Ctr.
 ■ Retail
 ■ Mfg.
 ■ Hospitality/Tourism
 ■ Construction
 ■ Financial Serv.
 ■ Telecom
 ■ Professional Serv.

VII. Major Private Employers (cont'd)



VIII. Education and Training Resources

The Capital Region has both two and four-year colleges throughout the region. For a metro area of its size, there are a significant number of colleges. The region has no major dominant university but a collection of small and mid-sized public and private colleges and universities. RPI has a strong engineering/technology reputation but is a relatively small operation compared to other schools nationally.

3.18 - Major Colleges and Universities Within the Greater Capital Region						
No.	College/University	Students	Academic Programs			
			Business/ Accounting	Comp. Science/ Info. Tech.	Elec./Mech. Engineering	Chemistry/ Biology
Two-Year Colleges						
1	Adirondack Community College	3,200	X	X	X	X
2	Fulton-Montgomery Community College	625	X	X	X	X
3	Schenectady County Community College	3,525	X	X	X	X
4	Hudson Valley Community College	11,000	X	X	X	X
5	Bryant & Stratton Business Institute	250	X	X		
6	ITT Institute	250		X	X	
7	SUNY College of Technology at Delhi	2,000	X	X	X	X
8	Columbia-Greene Community College	1,600	X	X		X
Four-Year Colleges						
9	Skidmore College	2,300	X	X		X
10	Rensselaer Polytechnic Institute	5,300	X	X	X	X
11	Russell Sage College	750	X	X		X
12	Siena College	2,900	X	X		X
13	College of Saint Rose	2,200	X	X		X
14	SUNY University at Albany	10,800	X	X		X
15	Union College	2,100	X	X	X	X
16	SUNY College Ag & Tech at Cobleskill	2,500	X	X		X
17	SUNY College at Oneonta	5,200	X	X		X
18	Hartwick College	1,300	X	X		X

VIII. Education and Training Resources (cont'd)

VIII. Education and Training Resources (cont'd)

SUNY - Cobleskill Profile

Total Enrollment: 2,500

The college has both two and four-year programs divided among the following divisions:

- Agriculture and Natural Resources
- Business and Computer Technologies
- Culinary Arts
- Hospitality and Tourism
- Early Childhood
- Liberal Arts and Sciences

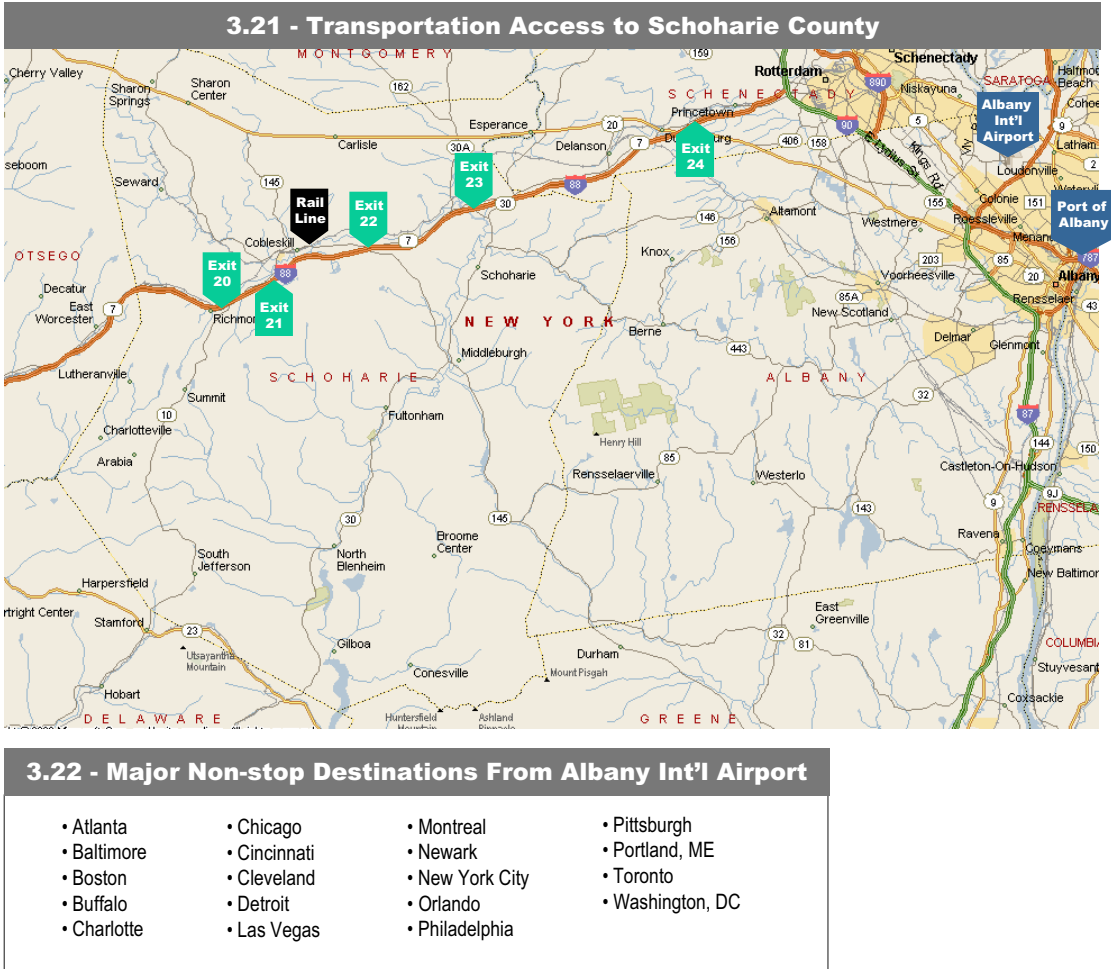
Academic resources that could support economic development within Schoharie County include the following:

3.20 - Academic Resources to Support Local Economic Development	
Economic Development Opportunity	Academic Resources Available at SUNY Cobleskill
Back office supporting financial services industry or general customer service support for any industry	<ul style="list-style-type: none"> • Business Administration • Computer Information Systems • Information Technology • Technology Management: Financial Services • Technology Management: Information Technology • Telecommunications Management • Liberal Arts and Sciences (Math Majors)
Biotechnology/Life Sciences R&D and manufacturing operations	<ul style="list-style-type: none"> • Plant and Animal Sciences • Biological Technology • Chemical Technology • Medical Laboratory Technology
Information Technology	<ul style="list-style-type: none"> • Computer Information Systems • Information Technology • Technology Management: Information Technology
Attract diesel repair and manufacturing operations to the county	<ul style="list-style-type: none"> • Diesel technology program

The college can also support area companies with non-accredited training programs to meet specific needs.

IX. Transportation Resources

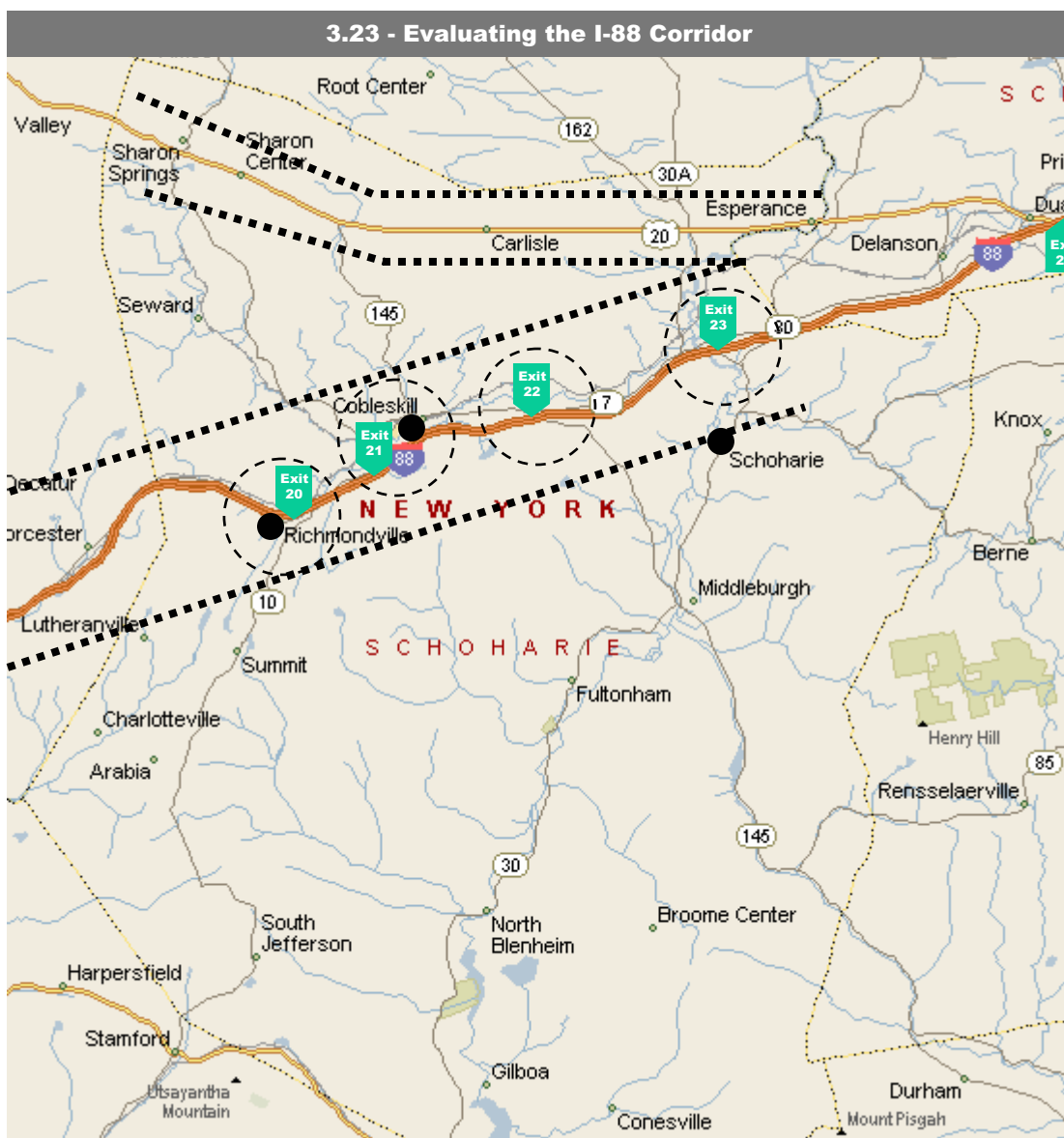
The county has access to air, interstate, water (Mohawk & Hudson Rivers) and rail transportation. I-88 is strategically located near both north/south (I-87) and east/west (I-90) interstate access.



IX. Transportation Resources (cont'd)

The I-88 Corridor

The most viable area for industrial/commercial development in Schoharie County is along the I-88 corridor having four exits within the county. The corridor is also the most populated section of the county and includes Richmondville, Cobleskill and Schoharie. Operations located along this corridor could attract labor from adjacent counties if the jobs were competitive. There is also a secondary corridor along Route 20 for potential development with access via exits 23 and 24 off I-88.

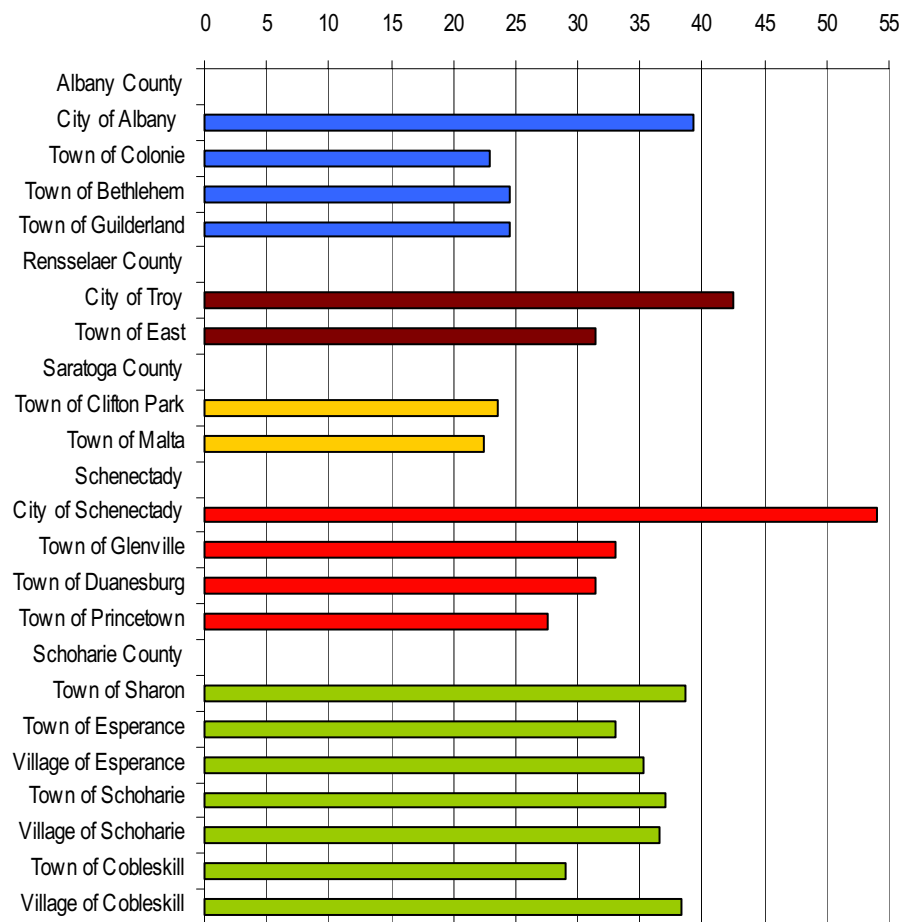


X. Business Costs

Tax Summary

Schoharie property taxes are significantly higher than suburban Albany and Saratoga Counties and slightly higher than adjacent towns in Schenectady County. Schoharie's tax rates are reflective of a rural area that has very little industrial and commercial tax base to cover infrastructure and education operating costs. In the villages of the county, high taxes also reflect the cost burden of having both a town and village government in place.

3.24 - Total Property Tax in \$ Per \$1,000 Assessed Value



3.25 - Combined State (4.25%) and Local Sales Tax by County

7.25%	Fulton and Saratoga Counties
8.25%	Albany, Greene, Montgomery, Rensselaer, Schenectady and Schoharie Counties

X. Business Costs (cont'd)**Electric Utility Rates**

3.26 - Electric Utility Rates (Cents per kWhr)			
Utility	Residential	Commercial	Industrial*
Niagara Mohawk – A National Grid	12.06	10.29	5.05
Richmondville Power & Light	4.68	5.96	4/42

*Industrial rates are reserved for high use industrial customers with steady base-load demand

XI. Business Environment

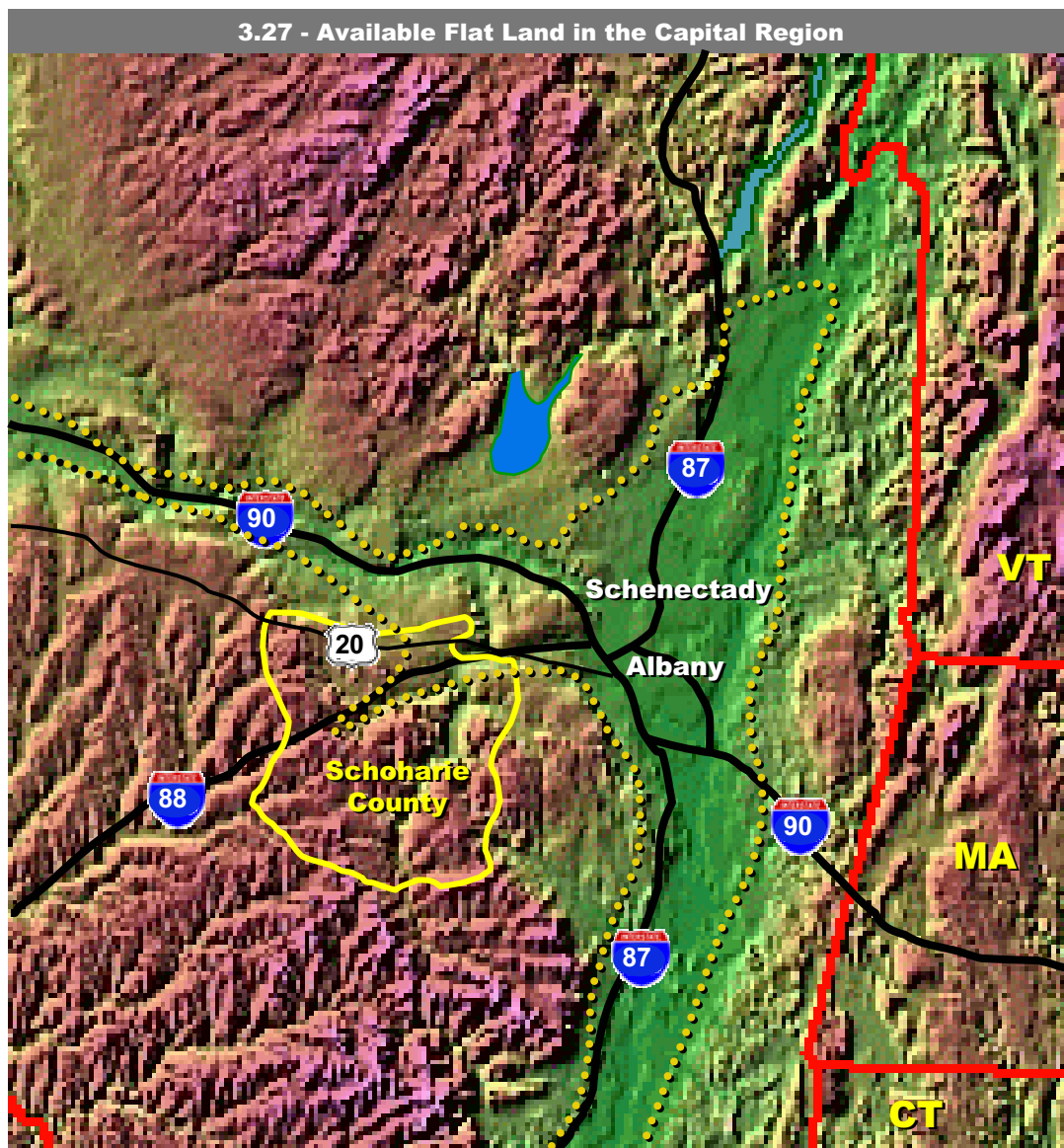
Local business environment is essentially a measure of the level of interest a community has in a particular industry or type of operation. It will manifest itself in a number of ways:

- Community response to a particular opportunity
- Types of taxation and regulations in force that impact an industry and operation
- Degree of enthusiasm and effort applied to a negotiation by county leaders
- Involvement by community stakeholders in attracting an industry or particular company
- Past experience with other similar employers

Prospective companies use business environment as an indicator of whether a community will ultimately support a company on a long-term basis.

XII. Available Flat Land for Future Growth

As noted below, there is a limited amount of large-tract, flat land within the Capital region. Due to the geology of the region, flat land is located along the Hudson and Mohawk River valleys, a lot of which, has already been populated and developed. Prospective companies looking for properties typically seek large tracts of land (100+ acres) for current and future operations plus some buffer that is near or within a few miles of an interstate highway. Schoharie County has flat land in the northern section along the I-88 and US Route 20 corridors.



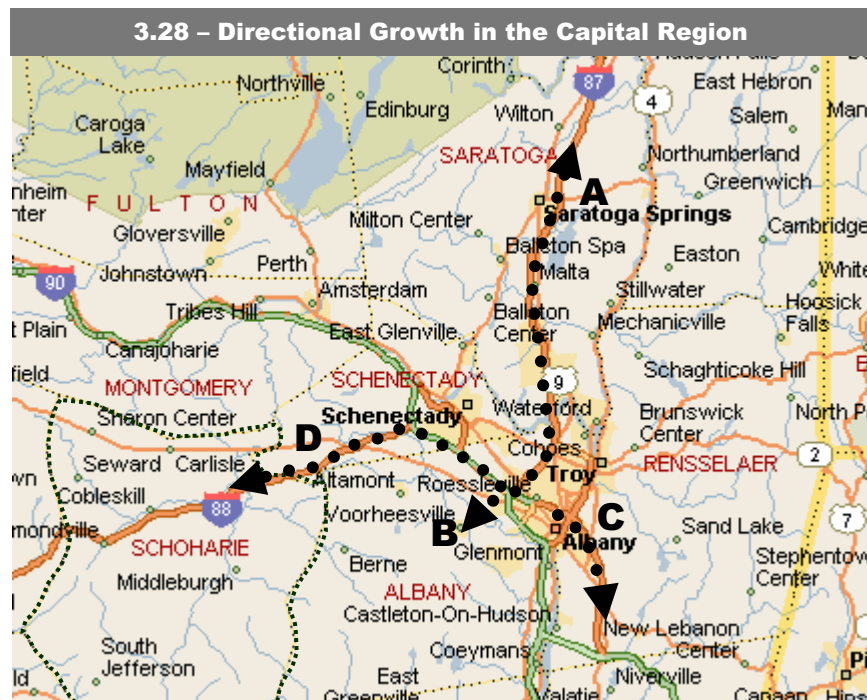
XII. Available Flat Land for Future Growth (cont'd)

The cost of land across the Capital Region varies widely depending on location and use potential. For example, residential land near I-88 in the Town of Princetown (Schenectady County) is on the market for ~\$5,000/acre for 99 acres while prime industrial land in Albany area off I-90 is at \$120,000/acre. Available industrial land in Colonie ranges from \$30,000 to \$75,000/acre and will be in the same range for the Towns of Guilderland and Bethlehem in Albany County and the Towns of Clifton Park and Malta in Saratoga County. There are two prime parcels of land currently available in Schoharie County:

- 12 acres of commercial land off I-88 at exit 23 for \$28,000/acre in the Town of Schoharie
- 5 acres of commercial land on I-88 adjacent to Bellevue Builders Supply (Town of Richmondville) for \$31,000/acre

As the availability of flat land with suitable zoning that is near an interstate (within a few miles) begins to deplete its supply in Colonie and up the I-87 (Northway) corridor (**A**), there will be more interest in the following areas:

- Southern Albany County (Towns of Guilderland, Selkirk and Bethlehem) (**B**)
- Southern Rensselaer County (Town of East Greenbush) (**C**)
- Western Schenectady County (Towns of Princetown and Duanesburg) and northern Schoharie County (Towns of Esperance, Sharon, Schoharie and Cobleskill) (**D**)



XIII. Available Facilities

Former Guilford Mills Property



Size of Site: 40+ acres

Total Size of Facility: 485,000 SF

Manufacturing Space: 451,000 SF

Office Space: 34,000 SF

Ceiling Heights: 17.6' at eaves to 19.0' at center (relatively low ceiling heights)

Access to Utilities: water, power, gas and telecom

Transportation Access: I-88 and rail

There is potential to subdivide the property into a mixed use industrial/office park

XIV. Quality of Life

Overview on Quality of Life Criteria

Criteria	Current Situation	Comments
Housing	Relatively low cost but what is typically available is quite old with large land parcels attached	There is a need to expand housing inventory in the county, particularly in the Villages of Schoharie and Cobleskill
Education (K-12)	Some schools performing below state average	Significantly below suburban schools in Albany, Schenectady and Saratoga Counties
Education (Local College)	Some business, IT and science courses available at SUNY Cobleskill, very little technical/engineering courses available	Technical courses available at Schenectady and Hudson Valley Community Colleges as well as Union College and RPI
Healthcare	Local access to Bassett Hospital in Cobleskill and Bassett specialist network	Additional access to Ellis Hospital in Schenectady, Albany Medical Center and other regional facilities/capabilities
Crime	Relatively low . . . reflects rural area	See stats presented in report
Cultural Activities	Cooperstown (Glimmerglass) along with local art shows and activities at SUNY Cobleskill	On-going performances available in Schenectady and Albany
Recreation	Local activity is focused primarily on outdoor activities year-round as well as high school sports and SUNY-Cobleskill	Access to indoor sports arena in Albany and area college sports in Troy, Albany Schenectady and Oneonta
Shopping	Shopping within the county is very limited to Wal-Mart, small shops, grocery chains, and farm produce country stores	There is access to Crossgates and Colonie Center Malls as well as big box shopping in Schenectady, Colonie and Latham about 30 to 45 minutes away
Dining	Dining is limited due to rural setting but there is fine dining in Cobleskill, Schoharie and Sharon Springs	Other dining available in Schenectady and Colonie

XIV. Quality of Life (cont'd)

Available Housing

Based on a recent review of available housing within the county, several observations can be made:

- Quantity of homes available was very limited in any given location
- Available housing was relatively old (many homes were 50 to 100+ years old)
- Large parcels of land (10 to 75+ acres) were offered with the house
- Prices were competitive with the rest of the region

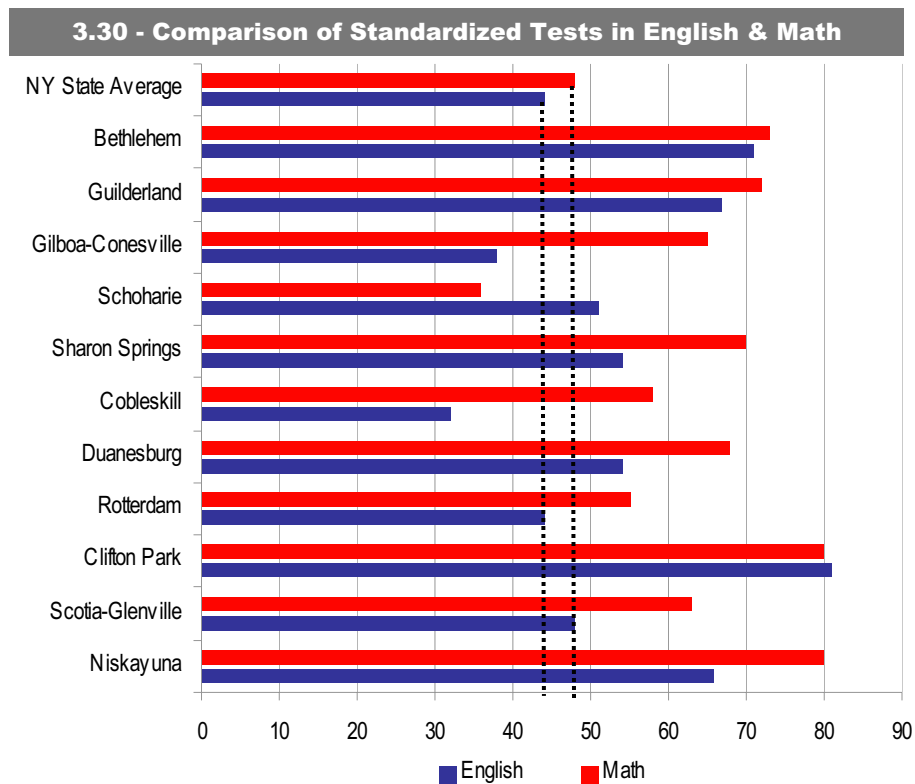
Based on driving throughout the county and reviewing the available housing, there is a very limited inventory of houses that would be of interest to typical professionals or small business executives unless they wanted to take an older home and undergo extensive remodeling. It is recommended that as the county grows, it will need an inventory of houses in and near current communities that are 1,500 to 3,000 square foot, located on 0.5 to 2.5+ acres and priced in the \$150,000 to \$350,000 range. Examples of this type of housing are noted below based on houses on the market in other parts of the region.



XIV. Quality of Life (cont'd)

Education Quality

Based on standardized testing information by Middle School (8th graders take the tests) available on greatschools.net, the following comparison is made for Capital Region schools:



Note: Based on 8th Grade standardized test scores taken in 2002

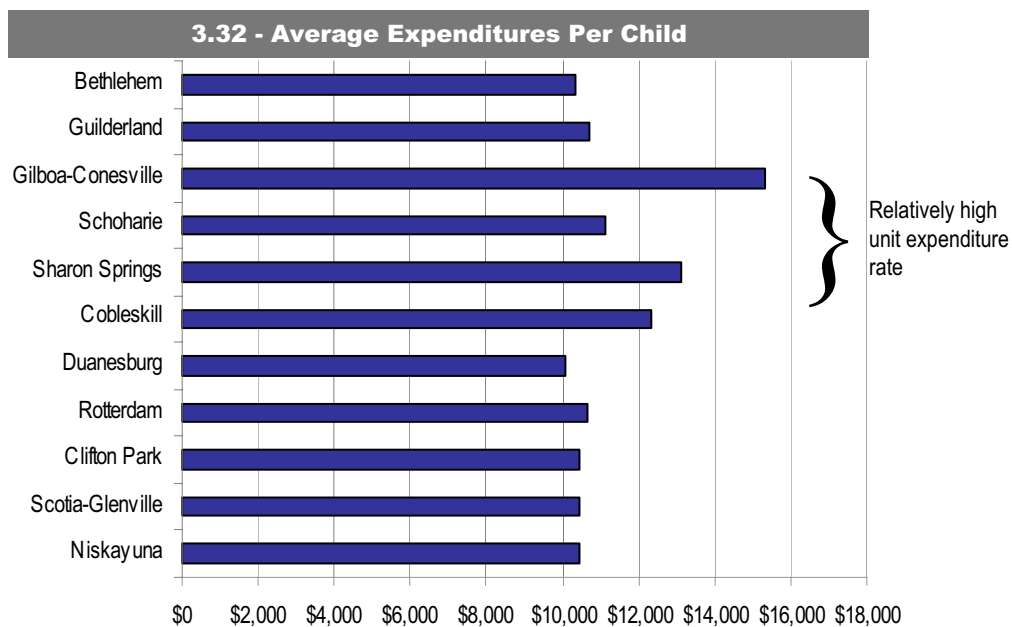
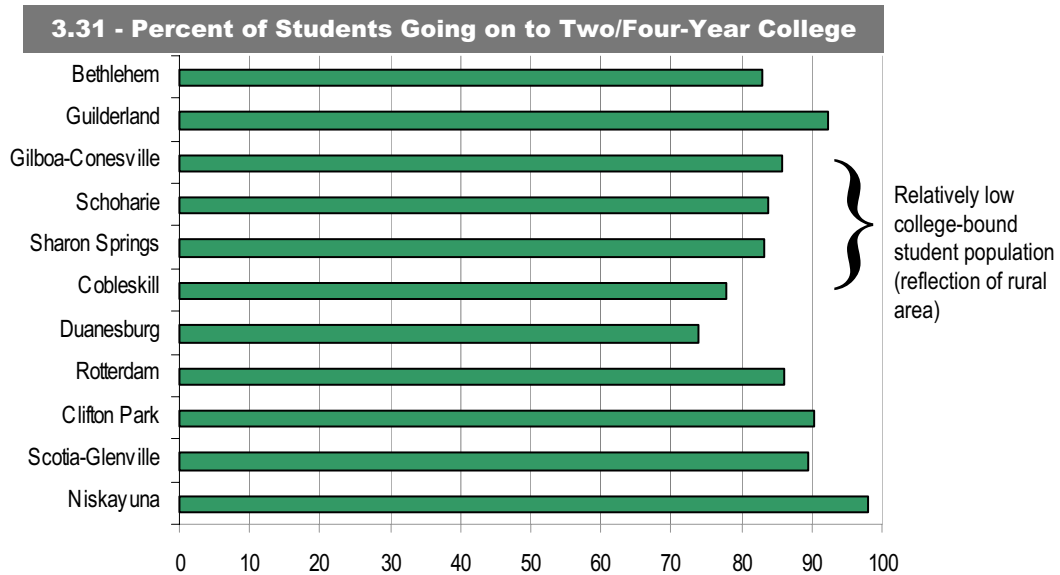
Comment

Schoharie County schools (with the exception of Sharon Springs) were below the state-wide average for at least one of the English and Math tests and significantly below Niskayuna, Clifton Park, Bethlehem and Guilderland.

XIV. Quality of Life (cont'd)

Education Quality

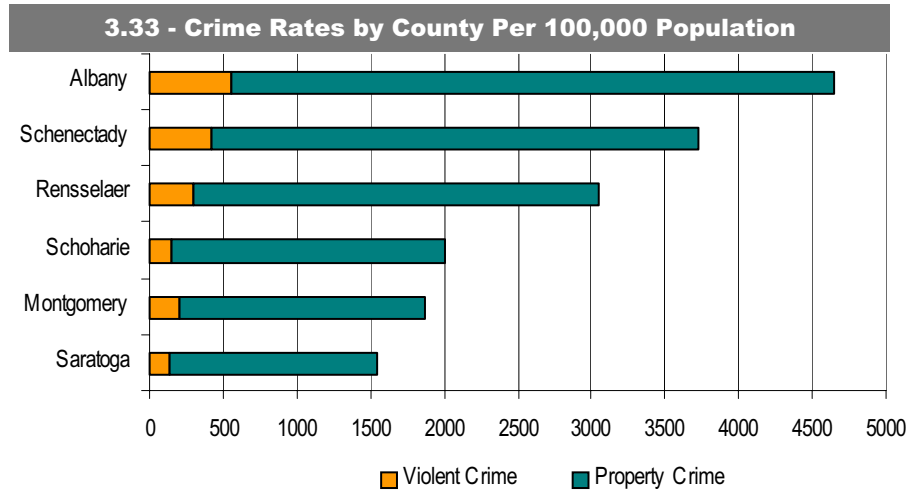
Based on 2002 data from the NYS Department of Education, statistics on percent going to college and expenditures per student at selected school districts are provided below:



XIV. Quality of Life (cont'd)

Crime Rate

Crime rates in Schoharie County are low in comparison to the city areas:



Note: Based on 2001 crime statistics by State of New York

Comment

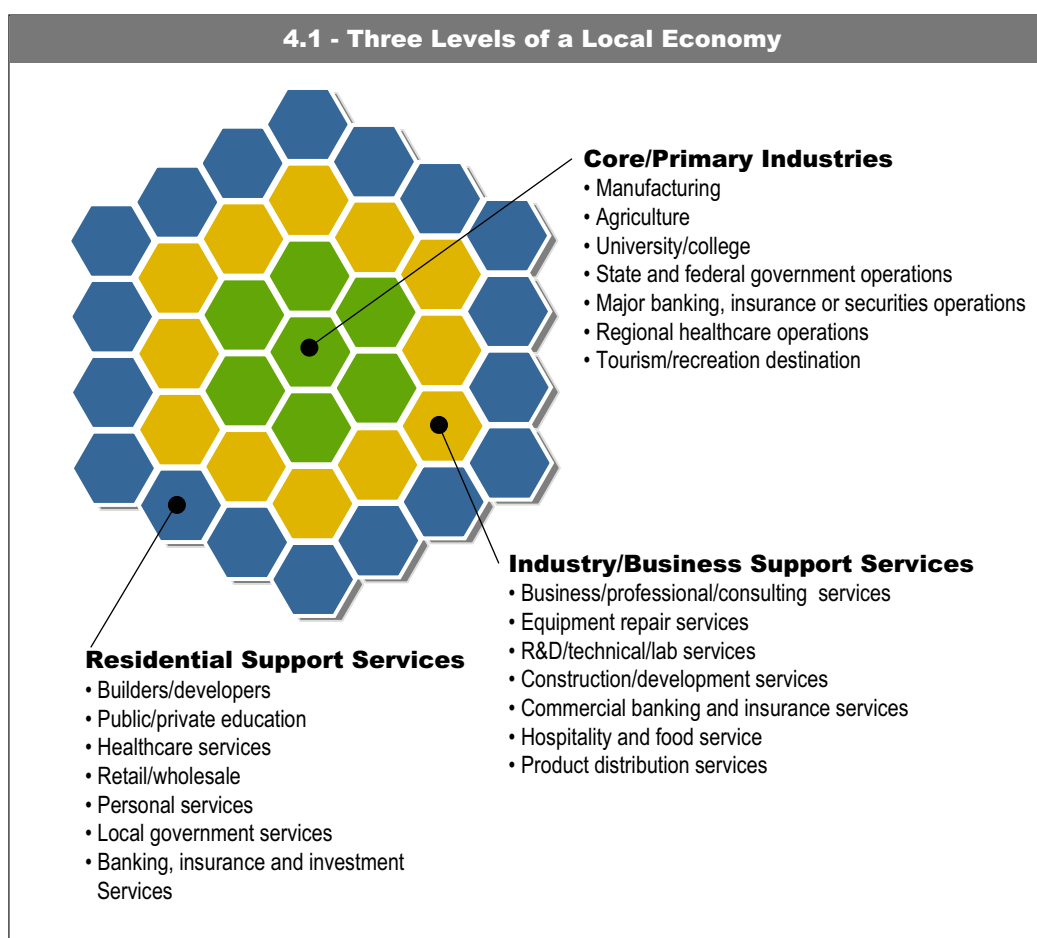
Schoharie County's crime rate reflects the lower rates typically encountered in rural areas.

4 Economic Development Options for Schoharie County

I. Achieving a Sustainable Local Economy

In every sustainable economy, there are three types or levels of employers that comprise the employment base. The “Core/Primary” level represents the major private and government employers. Major private employers provide not only jobs but also contribute substantially to the tax base. The “Industry/Support Services” level exists to support the Core/Primary employers and the “Residential Support Services” level exists to support the community’s residential base. The real growth of a local economy occurs with the expansion of a Core/Primary Industry which in turn drives growth within the other levels.

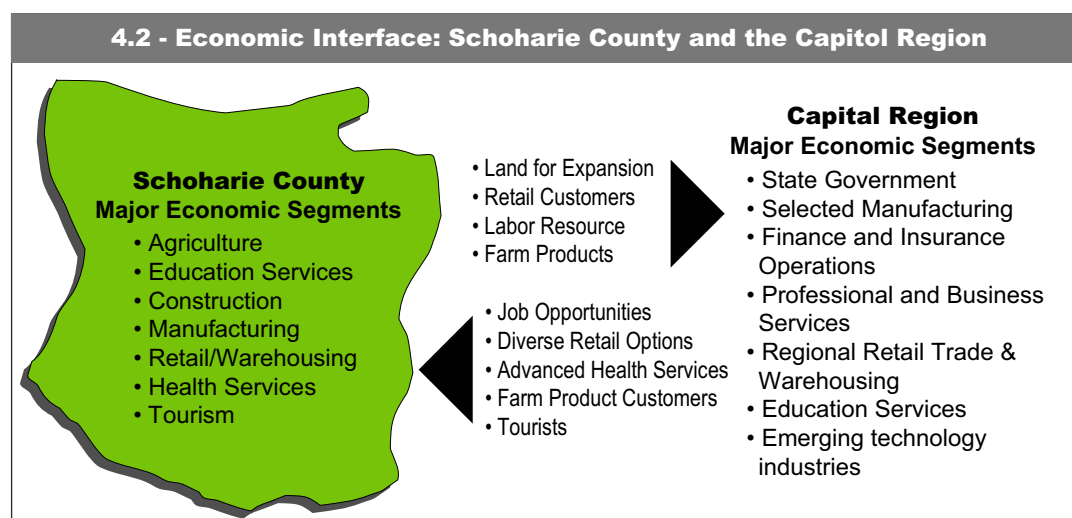
If a community is in a healthy balance, it will undergo a sustained level of growth that provides jobs to newly available employees while keeping community infrastructure and services at a moderate cost to manage tax escalation. Healthy companies will continually adapt, innovate and manage costs as product life cycles mature. When this is no longer possible, the company will go out of business and the community must stimulate new business and jobs that match the skills and resources of the community.



II. Economic Interface Between Schoharie County and the Capital Region

Schoharie County is not a totally self-contained economy but relies to an extent on the Capital Region as a source of jobs, expanded retail, advanced health services and a portion of their customer base for farm products and tourism. The Capital Region in turn looks to Schoharie County as a location for future expansion and a source for labor and retail customers.

Looking into the future, Schoharie will need to expand its internal employment and tax base while managing residential growth that can adversely impact infrastructure and the demand for government services and school capacity.



III. Situation Overview

In evaluating the current and pending situation within the Capital Region, and in particular Schoharie County, there are certain dynamics that will impact economic development activity going forward:

Growth Within the Capital Region and Development Within Schoharie County

As the Capital Region continues to grow and searches out flat land for development that has reasonable access to an interstate, the lands along I-88 and U.S. Route 20 will ultimately be in demand. When farming families in the county (particularly those in the flatlands within a few miles of I-88 and U.S. Route 20) decide to liquidate their land assets, they will seek out the highest price for their land and will most likely sell to a company intending to use the land for industrial, commercial or residential development.

III. Situation Analysis (cont'd)

Key Long-Term Growth Segments for the Capital Region

Based on university research and New York State funding, the region will focus on technology-related business opportunities in biotechnology, materials, electronics/photonics, nanotechnology, energy and the software to support each area. These types of businesses will characteristically be small and mid-sized. The region is also positioned to be a distribution center for the Northeast. Other growth areas are financial services support functions and small headquarters as well as expanded regional healthcare facilities

Addressing Issues Within the Farming Community

There are farming families in the county that will want to hold on to their farms and want protection from land value escalation and nuisance law suits from near neighbors. In addition, farming families frequently seek additional jobs off the farm to supplement farm income, particularly to pay for healthcare benefits.

Fear of Losing the County's Heritage to "Progress"

Many families have lived in the county for generations, deriving their livelihood from the land and small local businesses. Looking out the kitchen or office window and seeing the hills, driving on the back roads through the pastoral farmland, or going into the non-congested villages for an errand is what people have done here for centuries. Residents realize that progress is somewhat inevitable but there is a deep desire not to lose what currently exists.

Influx of Residents From New York City

There has been a trend over the past three years (since 9/11/2001) for New York City residents to migrate to the more rural areas of upstate New York to get away from high potential terrorist target areas. Some work from afar while others commute into New York for several days a week. This group will stimulate the growth in county population, particularly in the southern sections.

Job Opportunities Within Schoharie County

Residents of the county work at service, government and manufacturing positions (where available) or commute to surrounding counties due to the lack of employment opportunities in the county. Many residents are "underemployed" – working below their skill and education levels. If the area continually transitions into a "bedroom" community, the tax burden on residents and small businesses will increasingly become a challenge.

III. Situation Analysis (cont'd)

Lessons Learned About Major Employers

The county lost nearly 75% of its manufacturing jobs over the past few years with the closure of two operations: the Guilford Mills in Cobleskill (500 jobs) and Storyhouse in Charlotteville (50 jobs). Going forward, having employment distributed among a number of small and mid-sized companies that serve diverse markets may prove to be more sustainable and less volatile.

Attractiveness of Schoharie County for Economic Development

The availability of land at below market prices near an interstate highway will be the initial attraction. Access to labor will be reviewed which is more available in the Towns of Cobleskill, Schoharie and Esperance along with commuters from Schenectady and Albany counties. Power costs are similar to other Niagara Mohawk – A National Grid service areas except in the Town of Richmond where a municipal power company can provide substantially lower commercial rates. Taxes are equal or higher than other Capital Region towns and cities but the area has no Empire Zone to provide tax exemptions and other incentives.

The Need for an Economic Development Strategy and Plan

In response to pending development pressures, the county will need to have a strategy and plan in place to deal with different situations effectively or growth decisions will default to the developers which may not meet the needs and expectations of the county.

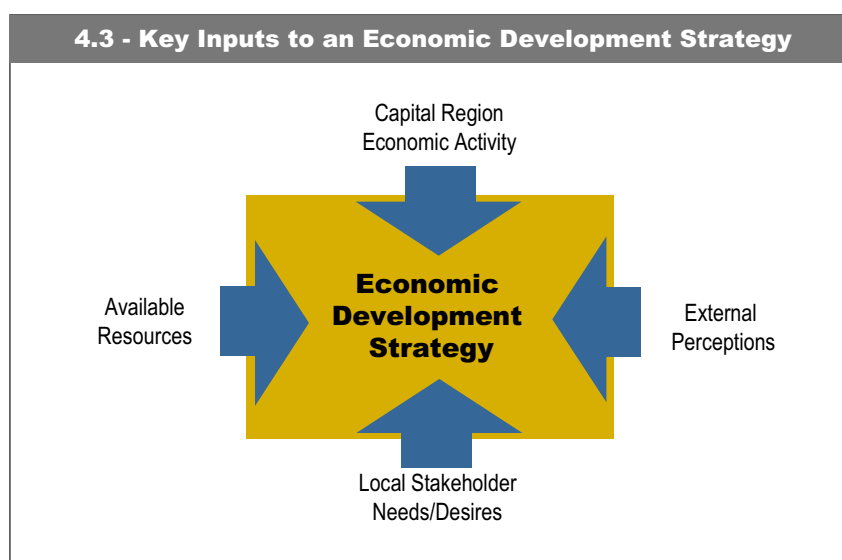
IV. Developing an Economic Development Strategy

The Challenge

In developing an economic development strategy, the challenge is to expand local job opportunities and tax base to keep the area viable for local residents while not severely impacting the natural beauty, small-town environment, affordable farms, and historic landmarks that are core to what the county perceives as important.

Defining an Approach

An effective economic development strategy for Schoharie County needs to incorporate each of the following key inputs . . .



. . . each input adds to the overall framework and content of the strategy. There may be gaps and conflicts between inputs that will need to be worked out. For example, some stakeholders may not be in favor of certain types of industries and operations locating in the county or there may be some expectations for growth that do not align with the available resources and external perceptions.

- **Capital Region Economic Activity:** as discussed previously in this report, the Capital Region is focusing on a number of segments and industries to stimulate growth including the following technology based disciplines: biotechnology/health sciences, energy, nano-technology, materials and information technology which could lead to both manufacturing and service-related opportunities. In addition, the region is expanding its financial services support operations as well as provide distribution operations to support both the Capital Region and the Northeast.

IV. Developing an Economic Development Strategy (cont'd)

- **Available Resources:** as outlined in Section 3 of this report, Schoharie County has certain assets including relatively low land cost, access to transportation and utilities, certain types of labor (although not large quantities), moderate operating costs, access to SUNY Cobleskill and an available manufacturing complex that will be attractive to selected companies.
- **External Perception:** external sources (Capital Region/State agencies, prospective companies, consultants, real estate brokers, etc.) will initially be interested in tracts of land adjacent to an interstate and then review all other pertinent resources needed for a specific operation. The county will be viewed as rural (obviously) with low concentrations of labor and limited access to specific types of services. Each concern will need to be addressed to keep the county as a viable location candidate. Companies and individuals from throughout the Capital Region may have a perception that Schoharie County is a long commute over a tollway. In reality, the toll is free and the travel time is 45 minutes or less.
- **Local Stakeholders' Needs/Desires:** the local stakeholders are a very diverse group representing farmers that want to keep their land as well as those that want to sell their land, small businesses, health care professionals, church leaders, educators, non-farming citizens, government officials, etc. Each stakeholder will have a different perspective along with potentially very different needs and wants. There will ultimately be two opposing groups: those that want some development and growth and those that want everything to stay pretty much just as it is. The economic development strategy must embrace each group and seek a reasonable compromise.

V. Identifying the Available Options for Economic Development

Land use within a community can be viewed as an asset portfolio. Each land use alternative contributes to different societal needs such as providing jobs and income, recreation and aesthetics, education and government services, access to goods and services as well as residential options. For a community to sustain viability, each aspect of the portfolio must contribute its inherent value but not to the exclusion of other needs. For example, industry should be located so as not to impact the community's natural aesthetics.

For comparison purposes, five different land use alternatives are presented in Figure 4.4 to evaluate job creation, size of payroll as well as property and sales tax revenues generated for the county and local communities. Each type of land use is ultimately important to the community, however, the job and monetary benefits to the community vary significantly. In addition, the potential negative impacts on the community from each land use alternative are noted in Figure 4.5.

V. Identifying the Available Options for Economic Development (cont'd)

In building an economic development portfolio, it is important to evaluate both the opportunities and liabilities that different types of options bring to the local community.






4.4 - Comparison of Economic Development Options					
Option	Description of Facility	No. of Jobs and Compensation	Payroll \$Million	Potential Property Taxes	4% Local Sales Taxes
 Office	100,000 SF of Office Space on 10 acres.	450 – 550 • \$35,000 avg. compensation • 5-day, single shift operation	\$15.7 to \$19.2	\$330,000 • Land value: \$30,000/acre • Building cost: \$100/SF	\$4,000 • \$100,000 of local annual purchases
 Manufacturing	25,000 SF of Office and 75,000 SF of Manufacturing on 10 acres	175 – 225 • \$30,000 avg. compensation • 7-day, two shift operation	\$5.3 to \$6.8	\$218,000 • Land value: \$30,000/acre • Building cost: \$65/SF	\$6,000 • \$150,000 of local annual purchases
 Warehousing	10,000 SF of Office and 90,000 SF of Warehousing on 10 acres	125 – 175 • \$25,000 avg. compensation • 7-day, two shift operation	\$3.1 to \$5.3	\$170,000 • Land value: \$30,000/acre • Building cost: \$50/SF	\$3,000 • \$75,000 of local annual purchases
 Retail	100,000 SF of Retail on 10 acres	60 – 80 • \$20,000 avg. compensation • 7-day, two shift operation	\$1.8 to \$2.4	\$186,000 • Land value: \$30,000/acre • Building cost: \$55/SF	\$100,000 • \$2.5 million in annual sales
 Residential	15 – 2,500 SF homes on ½ acre lots within a 10 acre site	None	None	\$132,000 • House value: \$275,000	\$6,000 • \$10,000 annual local purchases per house

Assumptions:

1. Land values in the prime areas of the county have a potential for selling at \$30,000/acre based on current market offerings
2. An average millage rate for property taxes was selected at \$32/\$1,000 assessed value

V. Identifying the Available Options for Economic Development (cont'd)

When evaluating each option, any potential negative impacts or additional costs to the community should also be considered.

4.5 - Potential Adverse Impacts on Community	
Office 	<ul style="list-style-type: none"> • Traffic during shift changes unless properly located in community <p>Note: in reality, office projects within the county will more likely be smaller than 100,000 SF</p>
Manufacturing 	<ul style="list-style-type: none"> • Traffic congestion during shift changes and increased truck traffic in more populated areas unless properly located in community • Potential high water use from certain types of operations • Potential air emissions, wastewater discharges and solid waste from certain types of operations
Warehousing 	<ul style="list-style-type: none"> • Increased truck traffic in more populated areas unless properly located in community
Retail 	<ul style="list-style-type: none"> • Increased traffic congestion in more populated areas unless properly located in community
Residential 	<ul style="list-style-type: none"> • Potential impact on schools and other community services • Requirements to extend utility services to new area <p>Note: need to consider impact fees to offset costs for schools and infrastructure</p>

VI. Proposed Economic Development Strategy

Overall Objectives

- Rebuild and expand local employment opportunities for residents of the county by attracting and supporting businesses that offer challenging and good-paying jobs
- Enhance the tax base of the county to off-set the current tax burden for schools, services and infrastructure on local residents
- Improve local access to goods and services to enhance the quality of life
- Provide a community that attracts medical professionals to the Bassett Hospital, top quality teachers to local schools and SUNY Cobleskill, business entrepreneurs, and other professionals that support the community
- Preserve the natural beauty and historic sites/heritage of the area, the ability to maintain a family farm, and the small-town environment

Key Elements of the Strategy

The strategy will incorporate aspects of economic development and community development because they are so closely interconnected in this situation and will also address the questions of both “what” and “where”.

1. Target Sectors/Industries

Based on existing and emerging economic activity throughout the Capital Region, the following target sectors and industries are recommended for Schoharie County:

- > **Technology-Related Manufacturing:** opportunities are derived from R&D activities related to biotech/life sciences, nanotech, energy and materials at SUNY Albany and RPI. These opportunities will take their course of development through a local incubator and then into an industrial park. Schoharie can offer a low cost alternative with access to SUNY Cobleskill academic programs and a potential joint effort in the final stages of product refinement and production startup. Taking advantage of these opportunities will require the establishment of a liaison office between the County Planning Office, SUNY Cobleskill and the R&D activities at SUNY Albany and RPI
- > **Information Technology:** there will be significant IT activity to support different aspects of the technology-related manufacturing efforts above. An IT cluster could be set up in the county to leverage low cost, country/small town living and the IT graduates from SUNY Cobleskill. Engaging in this activity would require a liaison with the activities within the Capital Region and SUNY Cobleskill to match skills and needs
- > **Traditional Manufacturing:** opportunities still exist for certain types of manufacturing that supports the technology companies noted above or other industries. Examples include: plastics injection molding, light assembly, machining/tool & die, repair/modification and similar operations. Access to low cost space and labor as well as certain skill requirements are typical location needs.

VI. Proposed Economic Development Strategy (cont'd)

- > **Financial Services/Back Office Operations:** the community could support a modest size back office operation (250 -300 jobs) if a spec building were to be constructed in the Cobleskill area and serviced with the appropriate telecom requirements. Developing a formal relationship with SUNY Cobleskill for training, part-time staff and full-time graduates would be an advantage.
- > **Distribution Warehousing:** due to the growth of the Capital Region as a distribution center, there are opportunities to offer sites for distribution operations. Issues to consider relating to a warehouse operation include:
 - There are already major distribution centers in the Town of Sharon Springs and in Montgomery County and there may be a labor resource issue
 - The facility will become the “front door” to the community and needs to be aesthetically inline with the area (develop appropriate architectural standards)
- > **Recreation/Tourism:** leveraging the tourism and recreational aspects of the community, there is a potential opportunity to develop a sports arena for soccer, lacrosse and other sports tournaments and off-season practices as well as be available for SUNY Cobleskill activities.

2. Improving the Competitive Positioning of the County

Based on comparisons with adjacent counties, Schoharie County has two key competitive issues: (1) The tax rates (particularly in the villages) are equal or higher than other locations within the region. To reduce these rates, the villages and towns should seriously consider consolidating their governments and related services. (2) The county does not have an Empire Zone capability to lower taxes and provide needed incentives. Efforts to date have not proven fruitful but should continue to be pursued.

3. Primary Location(s) for Growth and Development of a Master Plan

Considering that many location decisions are made based on access to transportation and labor resources, it is evident that the primary growth locations should focus on the I-88 and U.S. Route 20 corridors. A second tier priority should be for other communities in the county such as Middleburgh and Gilboa.

In order to facilitate and manage the growth strategy, a master land use plan should be developed for the two corridors and begin a formal next-generation zoning program that helps set expectations and contains certain types of growth with defined areas.

VI. Proposed Economic Development Strategy (cont'd)

4. Types of Facilities Required

Based on the target industry opportunities outlined under item 1 above, the following facilities are to be targeted for growth:

> **Flexible Office Space:** three types of office space should be considered:

1. Remodel the 34,000 SF space at the former Guilford Mills complex to be marketed as Class B office space. Provide the tenants flexibility to reduce or enlarge their space as needed without penalty and reward them for acquiring additional space
2. Identify buildings within the Villages of Schoharie, Cobleskill, Sharon Springs and Middleburgh for office renovation/conversion
3. Build a 50,000 SF two-story Class A office building (similar to the Lancaster Construction Company building) near Cobleskill for back office and software company staff



> **Flexible Manufacturing Space:**

The former Guilford Mills complex provides an excellent resource as long there are no high bay requirements or a need for overhead cranes due to the high point in the ceiling being only 19'. The complex could be subdivided into modules and sub-modules that would allow a company to acquire space as required. The complex could also host a common cafeteria and other service facilities to avoid redundancies and keep costs down.

> **Warehouse Sites:** if there is an interest to further expand warehousing in the area, several sites (50 -100+ acres) should be identified and become certified as *Shovel Ready* and notify the New York State economic develop agency and have it posted on their web site database.

> **Lab Space:** some biotech and life science companies will need wet lab space with sewer access and specialized (high cost) equipment. Identifying sources of investment for these build-out requirements and assuring there are sewer connections would facilitate this opportunity. Certain sections of the former Guilford Mills complex could be adapted to these requirements.

> **Sports Area:** there is a potential to construct a sports area in Cobleskill that could be rented for tournaments and off-season practice for regional sports teams as well as utilized by the college. This is an emerging business in the larger metro areas.



VI. Proposed Economic Development Strategy (cont'd)

5. Enhancing Quality of Life Attributes:

Continuing to improve the quality of life within the county is an important aspect of economic development while bringing value to existing residents.

> **Housing:** there is a very limited stock of available housing that is newer (<15 years old) and has smaller lots (<10 acres). It is recommended that additional housing stock in the 2,000 – 3,000 SF size on ½ to one acre lots located in/near the Villages of Schoharie, Cobleskill and Sharon Springs be considered for development. Consider avoiding the large-tract developments that isolate socio-economic groups and create village vs. suburb situations. There is most likely a desire within the county to keep focus on the villages and the infrastructure that is already in place.

Also, consider taking an inventory of all houses over 100 years old in the county and evaluate their condition and provide low interest loans to preserve them and get them up to code standards. The existence of these homes is a market differentiator for Schoharie County and the inventory will also keep them from being inadvertently destroyed or falling too far into disrepair.

> **Retail in Cobleskill:** Cobleskill is the retail center of the county and is a key resource related to quality of life and external perceptions of the county. The village may want to take advantage of the Main Street Program to preserve the facades and promote additional business. There are opportunities to attract the student population with coffee bars, specialized retail that complements Wal-Mart, and places for country dancing and live music that has been very popular in other metro areas. The downtown needs to embrace and leverage the buying power of the students and make it easier for them to access the downtown. The student buying power can potentially enhance the retail available to the public at large and be viewed as an enhancement in quality of life.

VII. Recommended Implementation Plan for the Economic Development Strategy

In order to achieve the objectives of the Economic Development Strategy, a well-defined plan needs to be implemented that includes the following action items:

Short-Term Action Items

1. Formalize the Economic Development Strategy and have discussions (town meetings) throughout the county to discuss the objectives and vision of the strategy and gather input from each community – particularly from the towns along I-88 and the U.S. Route 20 corridors.
2. Support the marketing of the Guilford Mills complex with a profile describing the available resources within the community.
3. Continue with the Micro-Enterprise Program supporting small business growth within the county.
4. Initiate a land use planning process for the I-88 and U.S. Route 20 corridors to provide guidance for future development.
5. Address the opportunity of placing additional warehousing operations off the I-88 and U.S. Route 20 corridors, and if there is interest, proceed on developing a plan to provide utilities to the area and promote particular sites under the NYS Shovel Ready Program.
6. Establish a liaison with the different Capital Region technology organizations to better understand specific opportunities for businesses seeking facilities and talent that match the Guilford Mill complex, students/programs at SUNY Cobleskill, and local labor .
7. Utilizing college interns (architecture and city planning students), make an inventory of all historic homes (>100 years old) in the county and structures that could be renovated for office and other commercial operations. This effort will build an inventory and awareness of homes that may be candidates for a low interest loan renovation program and the availability of structures to house new small businesses.
8. Consider a Main Street Program for Cobleskill and develop a strategy to enhance student patronage that is beneficial to the downtown area. Utilize a student intern team from the college to develop a survey for students and local residents on what types of businesses they would like to see and would prosper in the downtown area. Review the issue of parking or other inhibitors that detract from people shopping in Cobleskill. Review the efforts of the cities of Oneonta, Corning and Saratoga Springs in revitalizing their downtown areas.

VII. Recommended Implementation Plan for the Economic Development Strategy (cont'd)

9. Continue to pursue getting an Empire Zone status for certain portions of the county by leveraging the loss of jobs and promoting the strategy and plan for economic development that is put in place. Essentially, demonstrate how the Empire Zone has a direct impact on needed growth in the county.
10. Plan a county-wide meeting between the Work Force Development agency, area employers, area high schools, SUNY Cobleskill and County Planning to review training and recruiting efforts, skill requirements in the future and ways to improve cooperation and communication.

Longer-Term Action Items

1. Develop a plan to build a spec office building in the Richmond/Cobleskill area to support a back office operation as well as for office-based software companies that can leverage skills/programs at SUNY Cobleskill. Modify zoning to allow for office buildings to be located in industrial parks.
2. Be prepared to build an inventory of executive/professional homes (2,000 – 3,000 SF) near the Villages of Cobleskill and Schoharie.
3. In order to reduce cost and taxes to make the area more competitive, initiate the discussion on consolidating village and town governments.
4. Evaluate the economics and opportunities for constructing an indoor sports arena near SUNY Cobleskill for attracting teams and tournaments as well as adding value to the college.